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NEWS SUMMARY

Commons 'kill Scott' talk

The House of Commons room of former Liberal leader Jeremy Thorpe was the setting for a pre-Christmas meeting at which a plot to "get rid" of Norman Scott was raised, it was alleged yesterday.

Peter Bessell, a former Liberal MP, told magistrates at Minehead, Somerset, that he and Thorpe were alone in the room at the time. Bessell protested about murder talk, to which Thorpe allegedly replied: "It is no worse than shooting a sick dog."

Bessell, first prosecution witness at committal proceedings in which Thorpe and three others are accused of conspiracy to murder Scott, claimed Thorpe was depressed because his homosexual relationship with Scott might be exposed and his career ruined.

Bessell said that he and Thorpe — who is also accused of incitement to murder — discussed various ways of killing Scott and disposing of the body, by hiding it under rubble, dropping it down a mineshaft or into a river.

Thorpe was alleged to have said that the man to kill Scott would be David Holmes, though Bessell said he thought Holmes was "too wet" to do the job. The hearing continues today.

GENERAL

400 die in mass suicide

Some 400 bodies have been found in Guyana following the mass suicide by members of the People's Temple religious sect, which is based in Los Angeles.

At the weekend, U.S. Congressman Leo Ryan and four other people who had gone to investigate the sect were shot dead on a remote airstrip as they boarded an aircraft to fly home.

Treaty hope

Israeli Prime Minister Begin welcomed President Sadat's statement that a peace treaty can be signed "shortly," though the question of whether it will include a timetable for Palestinian self-rule in Gaza and the West Bank has to be resolved. Page 5

TV soccer deal

London Weekend Television formally signed a contract securing exclusive coverage of soccer on television for next session. Alan Hardaker, Football League secretary, said: "This completes the formalities."

Webster charge

Martin Webster, National Front chairman, was sent for trial to Kingston, Surrey, Crown court on two charges of publishing written matter which was abusive or insulting.

Pretoria crisis

The South African Government is facing more trouble, with increasing public recrimination between members of the Cabinet and hostile criticism from the usually-conservative black homeland leaders. Page 5

Politician jailed

U.S. Congressman Charles Diggs was sentenced to a maximum three years jail on charges of defrauding the Government of more than $60,000 by padding the salaries of his Congressional staff.

Customs queues

Passengers at London Heathrow airport are taking up to three hours to clear customs as customs men continue their "work to standard."

TV soccer probe

The House of Commons was told that the Office of Fair Trading is investigating the deal in which London Weekend Television has won exclusive coverage of Football League matches next season. Meanwhile, LWT and the League signed a contract yesterday.

Briefly . . .

Basque separatist guerrillas killed two policemen and wounded nine others in Bilbao. The officers were playing football.

Indira Gandhi returned to the Indian Parliament after her 19-month absence.

Ethiopia and the Soviet Union signed a friendship treaty in Moscow. Back Page

Allan Newman, son of film star Paul Newman, was found dead in an hotel near Los Angeles. He was 28.

BUSINESS

Equities down 4; Silver at new peak

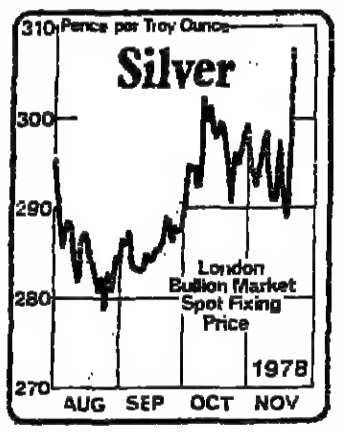
● EQUITIES were restrained as institutions continued to bide their time. Selling pressure on leading industrials was light but the reluctance of buyers was unsettling and the FT Ordinary Index closed 4.0 down at 468.8.

● GILTS were affected by consideration of last week's two new tap stocks. The Government Securities Index closed 0.25 down at 67.97.

● STERLING rose 55 points to $1.9350 and its trade-weighted index was 62.2 (62.3). The dollar's depreciation widened to 8.4 per cent (8.3).

● GOLD rose $1½ to $199½ in London.

● SILVER rose to new peaks which triggered fresh speculative buying interest as the London bullion spot fixing rose 11.1p to 307.75p.



● WALL STREET was 9.01 up at 806.74 just before the close.

● TUC is to tell Sir Harold Wilson's committee on financial institutions that 10 per cent of institutional funds should be lent out to UK industry. Back Page

● WEST GERMAN Federal Cartel Office has started proceedings against the Korf steel and engineering group for failing to report that Kuwait had acquired a 30 per cent stake in the West German and U.S. holding companies. Back Page

● ACCESS, the credit card group run by three of the big four banks, has increased its interest rate to borrowers from 1½ per cent a month to 2 per cent to take effect from January 4. Back Page

● ACAS has decided to pull out of trade union recognition talks at Michelin because of a refusal by the company to co-operate in an employee opinion survey. Michelin employs 15,000 in the UK. Back Page

● STANDARD LIFE has decided not to proceed with the sale of its Canadian business to Manufacturers Life Assurance. Page 20

● GOVERNMENT is to set up a standing advisory committee to carry out a continuous review of company law. Back and Page 14

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES:		
Carlton Inds.	227	+ 8
Cedar Hldgs.	24	+ 5
Clark (Matthew)	150	+ 10
Michael (J.)	20	+ 4
Myddleton Hotels	295	+ 80
Norton & Wright	153	+ 11
Pacific Petroleum	£36½	+ 4
Parker Timber	127	+ 10
Perry (H.)	111	+ 4
Redman Heenan	54	+ 3
Saatchi & Saatchi	125	+ 8
Westfield Minerals	282	+ 26
FALLS:		
Treasury 9½pc 1983	£87½	− ½
Exchqr. 12pc '99-02	£93¼	− ½
Beecham	600	− 10
Brown (J.) "New"	42pm	− 6
Canning (W.)	52	− 11
GEC	311	− 6
HK & Shanghai	237	− 18
Jardine Matheson	175	− 8
MK Electric	202	− 6
Northern Eng.	128	− 3
P & O. Defd.	76½	− 3½
Ratners	65	− 5
Reardon Smith	77	− 5
Sime Darby	86	− 5
Chersonese	45	− 4
Berjuntai	190	− 15
Charter Cons.	123	− 5
Conzinc Riotinto	236	− 9
De Beers Defd.	338	− 8
Malayan Tin	380	− 10
North Broken Hill	99	− 6
Pahang Cons.	43	− 6
Western Mining	123	− 8

GEC £52m agreed bid for U.S. office equipment company

BY MAX WILKINSON

General Electric has taken a major step into the office equipment market with an agreed $100m (£52m) bid for the U.S. company A. B. Dick.

The deal, concluded after only a few weeks of talks, will give GEC a worldwide sales and service network in the office equipment industry.

It will also bring it into direct competition with the industry's multinational giants including International Business Machines, Xerox and International Telephone and Telegraph.

GEC is adopting a strategy similar to that of these larger competitors by seeking to merge traditional office equipment with the most modern telecommunications and computer techniques.

Next week, GEC will be announcing a new mini-computer range, developed specifically for business and communications applications. It will seek to integrate these new technologies with the more traditional product range of A. B. Dick.

A. B. Dick, which is expected to have sales of $250m and pre-tax earnings of $12.5m this year, is controlled by the Dick family and Dick family trusts.

The family has given its approval to the deal in principle, but it requires the formal consent of the boards of both companies, and the consent of U.S. regulatory bodies. The closing date for the acquisition is April 30.

A. B. Dick makes and sells a broad line of office products including duplicators, copiers, non-impact ink jet printers and word processing equipment. It employs 7,500 people, most of them in the U.S. Its main offices are in Chicago, Illinois.

GEC's offer is $16.5 per share of common stock, and $100 par value per share of A. B. Dick's preference stock.

Sir Robert Telford, a director of GEC and managing director of GEC Marconi, described the move last night as "very rapid and extremely exciting."

Network

He said: "We have had our eyes on the business automation market for some time. We can bring advanced technology to it from our telecommunications and computer divisions.

"However, we have not, so far, had the sales and service network. A B Dick will supply this. They have 68 sales offices in the U.S. and 58 other offices and service centres in every part of the world."

Sir Robert said it was hoped that GEC would be able to inject modern technology into an office equipment company which was based largely on electro-mechanical products. It was too early to say, however how much GEC expected to invest in its new subsidiary in the longer term.

Sir Robert said it was also not settled yet whether A.B. Dick would be integrated into GEC as a subsidiary company or as a division.

The rapidity and [illegible] of GEC's move will [illegible] many of its critics, [illegible] in the Department of Industry, who have wanted the company to take an initiative in the fast-growing office equipment industry.

The UK has a large balance of payments deficit in office products, which is expected to worsen in the next decade. One reason is that [illegible] developments have [illegible] been exploited [illegible] U.S. rather than UK companies.

[illegible]

The National Enterprise Board [illegible] become [illegible] the lack of a strong [illegible] in this market [illegible] to set up [illegible] research and [illegible] subsidiary [illegible] efforts of a group of smaller companies.

EMS differences remain as summit draws near

BY GUY DE JONQUIERES, COMMON MARKET CORRESPONDENT

BRUSSELS, Nov. 20.

A NUMBER of key aspects of the planned European Monetary System will still be unresolved when heads of EEC governments meet in Brussels on December 4 and 5.

This is despite progress made by their Finance Ministers today in narrowing some of their differences over the scheme's operation.

The main achievements of today's meeting were to produce a stronger identity of view on the size and composition of credits to back the monetary system and an agreement that Italy should be offered a wider margin of fluctuation for the lira than for other currencies participating in the EMS.

Italy will be permitted a maximum fluctuation of 6 per cent for the lira on either side of its central rate in the EMS, if it decides to enter the system. Other participating currencies would be limited to a maximum fluctuation of 2.25 per cent, as in the current snake.

In addition, the Ministers agreed that the exchange rate mechanism used in the system should be reviewed after it had been in operation for six months. Even if some EEC countries do not join the scheme, they will be entitled to participate in the review.

However, the precise exchange rate mechanism, the rules for central bank intervention, the provisions for settling official debts and the conditions on which medium-term credit should be granted are among the important points which must be decided if the scheme is to take effect at the beginning of next year, as planned.

Though the need to strengthen weaker EEC economies in parallel with the operation of the EMS was discussed today, no decisions were reached on what measures might be taken.

It will thus be up to the Prime Ministers of Britain, Ireland and Italy to argue their case for a bigger transfer of resources from the richer countries in front of their EEC colleagues at next month's summit.

Despite the widespread impression that Britain will not join the EMS at least at the start, Mr. Denis Healey, Chancellor of the Exchequer, continued today to urge modifications in its design to meet UK demands that it impose symmetrical obligations.

But after the meeting, he expressed disappointment at what he saw as the failure of the EEC to develop a new currency stabilisation plan along the outlines [illegible] by EEC leaders when they met in Bremen last July.

He claimed that a number of the aims proposed in Bremen had not been met and some barely discussed. These included proposals to use the planned European currency unit as both a means of settlement between EEC central banks and as a reserve asset, as well as for a genuine pooling of national currency reserves.

While Mr Healey refused to predict Britain's eventual decision, his gloomy assessment left the strong impression that it would be unlikely to join the EMS unless next month's summit produced a grander design.

The Ministers agreed tentatively that the available credit for the EMS should be 25bn European currency units (about $32bn). This would apparently be the full amount for drawing by debtor countries, and the total amount made available by creditor countries would presumably be somewhat larger.

Minister resigns over Kirkby

BY RICHARD EVANS, LOBBY EDITOR

MR. BOB CRYER resigned last night as Under Secretary for Industry because of the Government's decision to return the Kirkby Manufacturing and Engineering workers' co-operative to the private sector.

Mr. Cryer, MP for Keighley and a member of the Tribune group, said he believed that Government financial assistance should have gone either directly to the co-operative as originally requested, or been channelled through the National Enterprise Board.

He strongly opposed the decision that Worcester Engineering, a Midlands-based central heating company, should acquire the co-operative with the help of more than £4m in State aid.

"I cannot defend the decision as I would be required to do if I remained a Minister, and I have therefore told the Prime Minister that I wish to resign, and he has accepted this." Mr. Cryer said. He had a 15-minute talk with Mr. Callaghan last night, but there was no exchange of letters.

The resignation is unlikely to cause any undue stir within the Government, as Mr. Cryer was known to be out of sympathy with a number of its policies. He will not be replaced as Under Secretary, and his responsibilities for small businesses will be taken over by Mr. Leslie Huckfield, the other Under Secretary.

Although the co-operative was the major reason for the resignation, Mr. Cryer made it clear that he was also opposed to any application of Government sanctions against companies which break the 5 per cent guideline for wage rises.

He also supports the growing campaign in Parliament for more open government, and he plans to support moves to put the burden of justifying the withholding of information on public authorities.

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Foreign 'backing for dollar'

BY JUREK MARTIN

WASHINGTON, Nov. 20.

A SENIOR U.S. Treasury official has confirmed that the U.S., West Germany, Japan and Switzerland are committed to spending whatever is necessary in order to stabilise the value of the dollar.

In an interview published in the Washington Post today, Mr. Anthony Solomon, the Under-Secretary for Monetary Affairs, said that all four countries were pursuing [illegible] policy in the foreign exchange markets and this on [illegible] their [illegible]. The $30bn package unveiled at the start of this month, Mr. Solomon said, represented merely the [illegible].

He also said that the U.S. approach to the foreign exchange markets had changed fundamentally over the last few weeks. Previously, he said, intervention had been limited to smoothing out "disorderly [illegible]."

[illegible]

Reinforcing [illegible] testimony of last [illegible]

[illegible]

Last week, Mr. Alfred Kahn, [illegible] worried [illegible] either "a deep, deep depression" or mandatory wage and price controls would ensue.

Mr. Kahn's [illegible] he emphatically [illegible] when he said was "a death wish" [illegible] among the [illegible] foreign [illegible] markets [illegible].

Michael Blanden writes: The dollar [illegible] in early European foreign exchange trading [illegible]

Continued on Back Page

£ in New York

—	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]

100 companies seek latest oil licences

BY KEVIN DONE, ENERGY CORRESPONDENT

NEARLY 100 companies have applied for exploration concessions in the UK's latest round of offshore licensing. Mr. Anthony Wedgwood Benn, the Energy Secretary, was quick to claim last night that the oil industry's response showed clearly that the Government's tougher policy towards offshore oil development was not driving companies away from the UK Continental Shelf.

But the industry's growing disenchantment with present conditions was demonstrated by the surprise decision of Exxon, the world's largest oil company, not to apply for any of the 46 blocks on offer. Shell, one of the most important operators in the North Sea, made only a limited response by restricting its application to the small group of blocks on offer to the north-west of the Shetland Islands.

Exxon, which has already invested more than £1bn in North Sea oil and gas development, said it had taken the decision not to participate in the sixth round for economic, investment and geological reasons.

It was not attracted by the oil and gas prospects offered by any of the blocks [illegible]. But its decision is also a demonstration of its opposition to Government moves to increase the state control of offshore oil development and to increase the rate of petroleum revenue tax.

Shell said it had limited its application to one small area after "taking into account the overall fiscal conditions."

But Mr. Benn said the oil industry's response demonstrated that "the new conditions designed to strengthen our national position and the proposed increase in the petroleum revenue tax rates, have not in any way reduced the interest of the oil companies in development offshore."

A total of 55 applications have been submitted for the 46 blocks on offer. About 100 companies are involved in the various bidding consortia.

At least one application has been made for every block available. The response must be particularly encouraging for the Government when it is compared with the fifth round, which was the first time that the state took a 51 per cent share in new concessions.

In the last round 71 blocks were on offer. These attracted 53 applications from 113 companies, but only 51 of the blocks were applied for.

The UK Offshore Operators' Association warned recently that the rate of offshore exploration would have to be dramatically increased if the UK was to maintain self-sufficiency in crude oil production in the late 1980s and the 1990s.

It has pressed the Government to release more exploration acreage—the sixth round is the smallest since offshore licensing began in 1964—and to adapt its taxation regime in order to encourage greater exploration.

Mr. George Williams, director-general of the association, said companies were still applying for licences, despite concern over Government policies and proposed fiscal changes, in the hope that policies would be changed before the end of the seven-year life of the licences.

● Shell/Esso has started to pump oil from the Dunlin Field into the Brent pipeline, and oil is expected to reach Sullom Voe for the first time on November 24-25.

Hopes of pay settlements at Ford and BOC rise

BY ALAN PIKE AND NICK GARNETT

HOPES OF settlements in the pay disputes at Ford and British Oxygen were rising last night, but in both cases it seemed that any agreement would be outside the Government's 5 per cent guidelines.

After a further session of talks lasting several hours yesterday, FORD union negotiators agreed to recommend the company's 17 per cent offer to mass meetings tomorrow of the 57,000 strikers.

Such a settlement is almost certain to provoke Government sanctions once it is signed.

During yesterday's negotiations with Ford—the third session since the company's final offer was rejected by the strikers earlier this month—the unions once again failed to get the company to increase its basic offer.

They had earlier succeeded in considerably relaxing the conditions surrounding a supplementary payments scheme worth up to £4 a week, and yesterday won some further improvements on holiday pay.

Under the original supplementary payments proposals, men would have been penalised for being late or absent without permission. The only major sanction now remaining is against men who are involved in strikes.

Continued on Back Page

Concern in Ireland as Lynch starts EMS talks

By Stewart Dalby

DUBLIN, Nov. 20.

MR. JACK LYNCH, the Irish Prime Minister leaves for Paris tomorrow on the first leg of a tour which over the next 10 days will also take him to Brussels and London for discussions on Ireland's proposed membership of the European Monetary System (EMS).

His trip comes against a background of growing concern in Ireland about the EMS on two fronts. First, there is the increasing prospect that Britain, to whose currency Ireland is firmly linked at parity, will not join. Second, and related, is the question of transfer of resources. This concerns Britain's proposed reforms of the Common Agricultural Policy (CAP), to which Ireland is firmly opposed.

There is also the particular problem of the transfer of £650m in grant aid which Ireland has asked for over and above transfers from the CAP and the EEC Regional and Social Fund over a five-year period in return for joining the EMS.

Mr. Lynch made it clear in a weekend speech that Ireland is unalterably opposed to a reform of the CAP if it involves any cuts in prices for Ireland's agricultural goods, irrespective of what Britain may feel.

Ireland's and Britain's interests as far as CAP is concerned are diametrically opposed. Ireland, with 22 per cent of its workforce engaged in agriculture and just under 50 per cent of its exports being agricultural goods, cannot countenance any cut in prices. Britain, with less than 5 per cent of its workforce on the land and a net importer of food, tends to protect its consumers rather than its farmers.

Mr. Lynch has said that Ireland will resist any attempts by Britain to make reform of the CAP a condition for joining the EMS.

In the light of Britain's evidently increasing diffidence towards the EMS Ireland has scrutinised more closely its demand for the £650m resource transfer. Although no Government official has yet spelt out how the figure was arrived at, it was formulated on the assumption that Britain would also be joining the EMS.

There is a growing belief therefore in Government circles here that Ireland will need more than the £650m in terms of balance of payments assistance, as well as money for infrastructure projects like telephones and roads should Britain not join the EMS.

Spain three years after Franco's death. **Robert Graham** reports from Madrid.

Fascist supporters remain disaffected

SR. MANUEL FRAGA IRIBARNE, the leader of the right-wing Alianza Popular, today called on the Spanish Government to give a full account of the weekend revelations of a foiled plot by disgruntled right-wing para-military and military officers to capture the Cabinet. Three days after the plot was revealed in the Press, the Government has still made no attempt to clarify the many obscure details.

The Government's failure to give its own account of the conspiracy, which led to the arrest last week of at least two officers, has contributed to the uncertainty here. No major political party, with the exception of Alianza Popular, has yet made the kind of demand expected—such as calling for a special debate in Parliament.

The Socialists and Communist parties although always fearing right-wing military adventurism, have been disconcerted by the reality. No matter how far-fetched the scheme might seem to hold the Cabinet to ransom, in exchange for a Government of national reconciliation, the Left here is willing to suspect that the two officers known to be arrested are scapegoats for an action which had wider military support.

Against this, the extreme Right is voicing the suspicion that the whole scheme is part of an effort to discredit them in the run-up to the referendum on the constitution. They argue that *agents provocateurs* sounded out the more gullible members of the armed forces and the para-military police. Then, once the plot was formed, it was uncovered, enabling the Government to weed out not only the more extreme opponents of democracy but to rally support for the constitution. Whether this version is true is less important, at this stage, than that it is believed to be true by the extreme Right.

The overall allegiance of the armed forces is not in question. But the scheme, now called "The Galaxy Plot," after a Madrid cafe where the officers met, underlines the extent to which the Suarez Government, and especially Gen. Gutierrez Mellado, the Defence Minister, have alienated by their reforms those people most attached to the Fascist dictatorship of Gen. Franco.

For these people, the present constitution, which the nation is expected to approve by a comfortable majority on December 6, embodies the "treason" now being perpetrated in Spain. Their attitude was symbolised last Friday, when Gen. Juan Atares Pena, a Guardia Civil regional commander, interrupted the Defence Minister during a ceremony at Cartagena, shouting that the constitution supported Marxism, abortion and divorce—the abhorrent opposites of Franco's Fascism, which was cloaked in Catholic and national values. The General was promptly arrested.

It is significant that the greatest unease over the development of democracy in Spain is found not so much the armed forces but among the para-military Guardia Civil and Policia Armada (whose officer corps comes basically from the armed forces). The arrests so far have been made among these two groups.

They are the people who bear the brunt of democratic change. They are also the main targets for political assassination, since they are the most obvious symbols of "oppression" for ETA, the militant Basque separatist movement. By consistently selecting Guardia Civil or Policia Armada as death is bound to raise tension within the security forces. targets, ETA is deliberately trying to foster the kind of disgruntlement now in evidence.

Thus it is no accident that the security forces should heckle the Interior Minister, write letters of protest, or even agree to scheme against the Government.

ETA's determination to pursue this tactic in the referendum run-up was emphasised today. This morning, two policeman were killed and 11 others wounded when passing cars machine-gunned a group playing football on a police football pitch next to a motorway in the Basque town of Basauri. The attack was the worst this year.

The police headquarters at Basauri was where, two months ago, several hundred policemen barricaded themselves in and insulted their local commander to protest at the way two of their comrades had been gunned down by ETA. Subsequently, 57 policemen were arrested for insubordination and up to 500 transferred.

Gen. Franco: supporters say 'treason' now being perpetrated

Barre tries to cool row on Europe Parliament

By David Curry

M. RAYMOND BARRE, the French Prime Minister, has tried to take the heat out of the controversy in France about the powers of the directly elected European Parliament with a statement that any increase in the assembly's powers would have to be negotiated by the member states. He also hinted that this would have to be confirmed by a popular referendum in France.

His appeal to the well-established Gaullist technique of the referendum is calculated to defuse the Gaullist RPR's attack on the parliament as an inevitable eventual threat to French sovereignty. At the same time, M. Barre insisted that the parliament would not have the means, within the Treaty of Rome, to increase its own powers unilaterally.

The furore over the parliament was set off by the remark by Chancellor Helmut Schmidt, the West German Chancellor, a week ago that it was unlikely that the parliament would be content with its existing powers. This caught the Gaullists on a raw nerve since they have maintained that, however much the French Government might oppose extension of parliamentary powers, other EEC members quite clearly stood for a different conception of its role.

The Gaullists had, indeed, just held a special congress about direct elections at which they passed a resolution asking the French Government to seek a declaration from her European partners ruling out any extension of powers. The Government has quietly turned down this request. However, Herr Schmidt's remarks provoked an icy condemnation from President Giscard d'Estaing.

Since then there has been a riot of declarations in France. M. Jean-Pierre Fourcade, a former Finance Minister, longtime associate of the President and head of a branch of the Giscardian movement, has gone on record as favouring more powers for the parliament.

M. Francois Mitterrand, the Socialist leader, has pronounced himself for "the Treaty of Rome, all the Treaty of Rome, and nothing but the Treaty of Rome."

M. Jacques Chirac, the Gaullist leader, in disputed remarks to the Press in Ireland, has said that if it were left to him he would call off the election but that, as it was, they should go ahead with the necessary safeguards.

The Communists, meanwhile, have denounced the sentiment in favour of increasing the powers of the parliament as evidence of the willingness of France's ruling party to entangle her in a German-American domination.

N. Italy elections show less support for main parties

BY PAUL BETTS

ROME, Nov. 20.

ITALY'S MAIN political parties, including the ruling Christian Democrats, the Communists and the Socialists, all suffered setbacks in local elections in the northern reigon of Trentino-alto adige reflecting the growing misgivings on the electorate at large over the country's current governing coalition formula. This sees the Communists and Socialists directly supporting a minority Christian Democrat government.

Although local issues obviously had a major influence in today's poll results, the elections at Trento in paricular were regarded as a major test by the political parties.

At Trento, the Christian Democrats lost for the first time in some 30 years their overall majority, dropping to 49 per cent compared with 51 per cent in the June 1976 general elections. This is a major blow for the ruling party's new president, Sig. Flaminio Piccoli, and is tantamount to a virtual defeat in his own electoral college.

The Communists, however, also saw their share of the vote drop from 15 per cent in 1976 to 10.6 per cent. A new Left-wing grouping headed by the small Radical Party and the extreme Left-wing "Lotta Continua" gained 4.5 per cent. This confirms the eroding electoral effect of the extreme Left criticisms of the Communists for their coalition with the Christian Democrats.

The Socialists dropped from 10.1 per cent in 1976 to 8.9 per cent, but the smaller national parties, like the Republicans and the Liberals, maintained their earlier electoral position. This goes against the forecasts after th einclusive 1976 general elections that the smaller parties would eventually be engulfed by the larger ones.

At the same time, the local parties campaigning for greater autonomy for the region, gained, probably at the expense of the rulin gparty.

At Bolzano, yhievh unlike Trento is a predominantly German-speaking area where local issues are far more pronounced, the Sudtyroler Volkspartei (the local right of centre autonomous party) increased its majority from 59.6 per cent in 1976 to 61.26 per cent.

However, here as well the main parties lost ground with the Christian Democrats dropping from 13.2 per cent to 10.79 per cent, the communists from 10.2 per cent to 7.04 per cent and the socialists from 5.5 per cent to 3.35 per cent. The new left-wing grouping gained 3.66 per cent of the vote here.

These signs of ageneral disaffection by the elctorate to the current Italian governing formula, however much tinted by local issues, are expected to add to the present worries of Sig. Giulio Andreotti, the Italian prime minister. To-day's results will doubtlessly worsen the tensions already existing within the main parties over the current political alliance.

The prime minister, who returned late last night from a visit to some Middle East capitals and is scheduled to meet Mr. James Callaghan in London on Wednesday, will have to tackle a series of major political problems now coming to a head in the next few weeks.

The most immediate issue is a miner government reshuffle to replace the retiring industry minister, Sig. Carlo Donat Cattin, who is to become the ruling party's new deputy secretary-general. This reshuffle has already provoked a major controversy within the Christian Democrats as well as between the parties now supporting the government.

Portuguese trade deficit narrows in first nine months

BY JIMMY BURNS

LISBON, Nov. 20.

PORTUGAL HAD a trade deficit of $1.8bn in January-September this year, compared with a deficit of $1.9bn in the same period last year, according to Bank of Portugal figures.

Imports increased by 5.3 per cent to $3.5bn while exports increased by 18 per cent to $1.7bn. This is an improvement on last year when imports increased at a much faster rate than exports.

The deficit was offset by a 39.8 per cent increase in invisible earnings over the nine months. These came mainly from tourist revenue which provisional figures show to have increased by 40.7 per cent to $294m, and from emigrant remittances which increased by 26.5 per cent to $1.1bn.

Invisible payments showed a surplus of $1.1bn, a 26.5 per cent improvement on last year, leaving a deficit on current account of $832m. The deficit on current account in January/September 1977 was $1.1bn.

According to the Bank of Portugal, if present trends continue, Portugal is fulfilling one of the main requirements of the International Monetary Fund (IMF).

This is that the current account deficit should be reduced from $1.5bn to $1bn in the period April 1978-March 1979.

Nevertheless, despite the optimistic forecasts, Portugal's considerable budget deficit estimated at around Es 80bn ($8.8bn), or roughly 8.6 per cent of GDP, has extended outside the limits imposed by the IMF.

According to the Portuguese "letter of intent," the overall deficit of the public sector should decline to 6 per cent in relation to GDP by March 1979.

● About 40,000 postal and telecommunications workers went on strike today throughout Portugal to back demands for a 20 per cent wage increase, Reuter reports from Lisbon.

This was the second one-day strike by communications employees in five days but the union assured the media that their services would be maintained.

Communist electoral win

BY OUR OWN CORRESPONDENT

LISBON, Nov. 20.

THE PORTUGUESE Communist Party (PCP) has retained municipal control of the town of Evora, the capital of the Alentejo, according to election results published today.

A Communist-backed electoral front called the United People's Alliance (APU) won 53 per cent of the votes with an absolute majority of 12,645 giving them control of the local municipal council, which had fallen vacant following recent resignations.

The Communist victory, showing a marginal increase over the party's majority in the municipal elections two years ago, will cause some embarrassment to the Government of Sr. Carlos Mota Pinto which has pledged itself to pursue the controversial handing back of expropriated farm land

The Communist victory has coincided with an outspoken attack on the recently announced Government by Communist Party leaders. They have accused it of being the most Right-wing administration since before the revolution.

Significantly, the Evora elections showed a considerable increase in the abstention rate. Thirty-five per cent of those who voted either abstained or spoilt their polling cards, indicating that Evora might reflect the disillusionment on a national level with the divisions and politicking of the political parties.

The Socialist Party's declining strength was confirmed at Evora where they lost more than half the votes they won during the 1976 municipal elections.

Oslo plans help for shipowners

By Fay Gjester

OSLO, Nov. 20.

THE NORWEGIAN Government has tabled a draft Bill aimed at aiding the more successful companies in Norway's troubled shipping industry. It also aims to keep for Norway some of the modern, economically viable ships, now being sold abroad in large numbers because of shipowners' liquidity problems. In the first 10 months of 1978, these ship sales amounted to 194 vessels totalling 4.1m gross tonnes.

The modest package of measures, announced at the weekend, has been condemned as inadequate and "very disappointing" by Mr. Nils Werring Jnr., the president of the Norwegian Shipowners' Association.

There are three main elements in the package. Firstly, the rules of the state-backed Guarantee Institute for ships and drilling rigs (GI) are to be changed in several respects, to enable it to provide more help to shipowners.

Secondly, the state will set aside NKr 300m (£30.42m) from the Institute's uncommitted funds (about NKr 1.5bn (£152m), of NKr 4bn originally). This money will be used to help "sound" Norwegian shipping companies buy second-hand ships which can be operated profitably. Under the proposed scheme, which will be administered by the GI, eligible companies will be able to give state guarantees for up to 30 per cent of a ship's purchase price.

Thirdly, shipping companies will be allowed to write down untaxed reserves by the amount of any losses made in 1977 and 1978.

Danish GNP prediction

By Hilary Barnes

COPENHAGEN, Nov. 20.

DENMARK'S GNP growth rate will increase from 1.4 per cent this year to 3 per cent in 1979, according to a report by the joint chairmen of the Economic Advisory Council, Denmark's "three wise men."

The unpublished report is said to predict that real private consumption next year will rise by 2.5 per cent compared with zero growth this year, and that this will form the main contribution to next year's increased GNP growth.

The report said that the current balance of payments deficit will fall from DKr 10bn (£973m) in 1977 to DKr 7.2bn (£701m) this year, rising to DKr 7.5bn in 1979. Interest payments on foreign debt will come to DKr 5.1bn next year.

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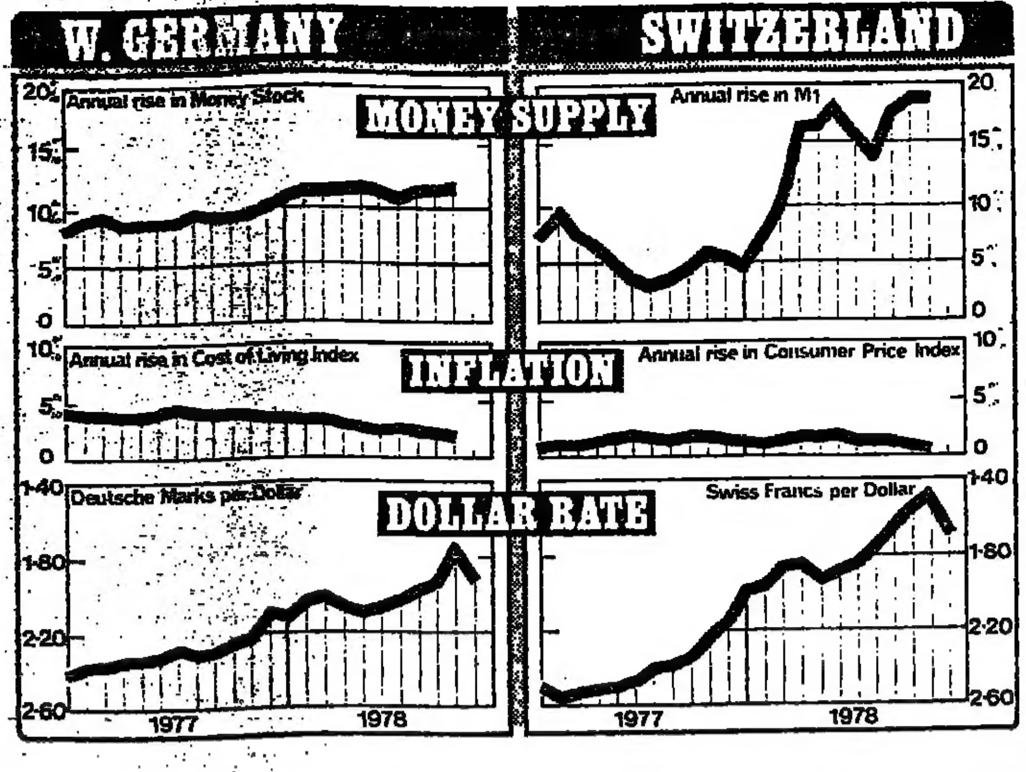
EUROPEAN NEWS

Swiss and Germans take a buffeting. **David Marsh reports**

A wary eye on money supply



THE WEST GERMAN and Swiss central banks, now getting down to their annual exercise of pondering monetary guidelines for the coming year, are looking back ruefully on a year in which their monetary policies have been shot to pieces by the plight of the dollar on the foreign exchange market.

Dr. Otmar Emminger, the president of the German Bundesbank, and Dr. Fritz Leutwiler, his opposite number at the Swiss National Bank, are normally the last to be accused of handling monetary affairs with reckless abandon.

Yet, because of massive intervention to support the dollar (and, in the case of the Germans, the weak currencies within the European "snake") for most of 1978 both men have been tolerating a build-up of money in their economies which has been well in excess of their own established targets, and has created a definite inflationary potential in these two most inflation-free countries.

The Bundesbank expects that its monetary benchmark, money stock (cash in circulation plus banks' minimum reserves on domestic liabilities) will rise this year by an average 11.5 per cent, well above the 8 per cent target adopted in December 1977.

The Swiss overshooting is even more striking — The National Bank anticipates that M1 (cash plus sight deposits) will expand by 16 to 17 per cent against the targeted 5 per cent.

Neither the Germans nor the Swiss have decided yet whether they will set a target for monetary growth in 1979 in continuation of the policy both have adopted over the last four years. A Bundesbank official admits that if the Bank sets a goal, it will be difficult to make it credible. Since 1975, the Swiss National Bank has achieved moderate success in its monetary targetry, but the Bundesbank has overshot each time.

By early summer this year, both central banks had stated publicly that their 1978 targets would be exceeded. This was the result of inflows caused by the dollar unrest at the end of 1977 and start of 1978, and in the German case, a welcome rise in bank lending to consumers.

But the margin of overshooting has been increased dramatically by substantial inflows into both countries caused by the dollar's renewed slump this autumn, which led up to the U.S. rescue action announced on November 1.

Since the beginning of October, intervention to hold down the Deutsche Mark against both the dollar and its snake partners has added well over $5bn to Germany's monetary reserves — the Bundesbank's most concentrated burst of intervention since floating started in March 1973.

Swiss intervention, on a relative basis, has been even higher: the National Bank has purchased around $3.5bn in the last seven weeks.

In Germany's case, last month's intervention was the climax to three months of mounting unrest within the snake. Total DM intervention within the float between end-June and the mid-October Deutschemark revaluation itself came to DM 10bn, a figure which explains some German officials' fears that the Federal Republic would be prone to still higher speculative attacks in the larger currency grouping represented by the European Monetary System.

Both the Germans and the Swiss have made a clear choice —the inflows of liquidity caused by massive foreign exchange purchases are, it is argued, a lesser evil than the even greater currency disruption which would occur if the central banks stood back from the market.

The Bundesbank and the National Bank have deliberately refrained from tightening credit to bring down the rate of monetary growth, as counter measures would lead to higher interest rates and hit the dollar harder. Maintaining high domestic liquidity is all part of a deliberate policy to "convince" markets, as a National Bank spokesman puts it, that the values of the German and Swiss currencies are too high.

Also, because of the sluggish state of both countries' economies, excess liquidity is not thought at the moment to be a particular threat to anti-inflationary policies. Largely because of depressed import prices arising from the fall of the dollar (down to the level of three years ago in Germany) consumer price inflation has fallen progressively this year to 2.1 per cent in Germany (the lowest since 1969) and 0.4 per cent in Switzerland (the lowest since 1960).

Nevertheless both central banks see the potential inflationary danger of excess liquidity, which could suddenly release pent up demand for goods and services should the two economies pick up again.

This fear looks more justified in Germany's case, where the economy has gained ground strongly since the summer and looks set for overall growth of 3 per cent this year. In Switzerland, the National Bank is predicting only 1 to 1.5 per cent.

Thus this month Dr. Emminger and Herr Karl Otto Poehl, the deputy president of the Bundesbank, in a deliberate bid to curb excessive wage claims in the coming round of industrial pay negotiations, have been stressing their belief that inflation can be held below 3 per cent next year.

In Switzerland, the authorities are more relaxed. The Bundesbank has taken some action, including raising of banks' minimum reserves, to mop up part of the inflows of the past six weeks, but the National Bank has done nothing.

Swiss liquidity, measured by the cash balances of the banks and the non-banking system at the National Bank, is at a record high of SWFr 14bn ($8.3bn), more than double the minimum necessary SwFr 6bn. But the Bank's view is that as long as demand for money in the economy remains low, it can live with high liquidity levels.

Where do the Germans and Swiss go from here? Much depends on the dollar. Both central banks are pleased that the U.S. Federal Reserve has been intervening more heavily since the support package was announced, using its Deutsche Mark and Swiss France swap lines (increased to ceilings of $6bn and $4bn respectively).

The central banks, however, are well aware that each further swap drawing by the Fed increases Deutsche Mark or Swiss Franc liquidity in the same way as if they themselves had done the intervening.

That is why Drs. Emminger and Leutwiler hope that the U.S. moves to tighten credit, rather than the brute force of intervention, will provide the main impetus in boosting the dollar. If this succeeds, perhaps next year the Germans and the Swiss can return to policies more in keeping with their reputations for monetary orthodoxy.

W. German wholesale prices fall 0.1%

THE W. German wholesale price index fell 0.1 per cent in October to 145.3, on a base 100 started in 1970, after dropping 0.3 per cent in September, the federal statistics office said yesterday, reports Reuter.

The index last month was 0.1 per cent higher than in October last year, following a 0.3 per cent year-on-year fall in September, it added.

Meanwhile the producer price index rose 0.1 per cent to 146.7 last month following a similar gain in September. The index, also based 1970, was 1.4 per cent above October 1977 after a 1.3 per cent year-on-year gain in September.

Envoy recalled

West Germany's Ambassador to Yugoslavia was recalled yesterday for consultations in the wake of last week's release by a Serbian court of four suspected German terrorists sought by Bonn, reports AP. A Foreign Ministry announcement said Ambassador Iesco von Puttkamer would report to Government officials on the release of the Baader-Meinhof gang suspects. There was no indication when the Ambassador would return.

The four, wanted in connection with the killing last year of three prominent West Germans, were released on Friday by Yugoslav authorities after the Serbian supreme court refused to allow their extradiction to West Germany.

Swiss mortgages

The Swiss mortgage debt is equal to about SwFr 20,000 (£6,000) per head of population according to estimates published by Union Bank of Switzerland, John Wicks reports from Zurich. The Bank puts total mortgage commitments in the country at some SwFr 126.5bn as of the end of 1977. The annual growth rate of 6.7 per cent is said to be much less than in previous years. Of the mortgage total, SwFr 102.2bn was accounted for by banks, SwFr 10bn and SwFr 7.4bn, respectively, by insurances and pension funds and SwFr 1.3bn by public bodies, primarily the Swiss Accident Insurance Office.

UNESCO compromise

UNESCO director-general Amadou Mahtar M'Bow is preparing a compromise draft declaration on the mass media that he hopes will gain consensus approval here at the UN agency's 20th general conference, UNESCO officials said yesterday, AP reports from Paris. The compromise draft contains no references at all to Government involvement in the Press and asserts the need for a totally free flow of information internationally, nationally and locally.

Links with West, China to dominate East bloc talks

BY PAUL LENDVAI

VIENNA, Nov. 20.

EAST-WEST relations, especially with regard to SALT 2 and the force reduction talks, Soviet demands for a "united front" against China, as well as moves to promote military and economic integration, are expected to dominate the long-overdue Warsaw Pact summit meeting, scheduled to begin on Wednesday in Moscow.

The meeting of what is officially called the Political Consultative Committee will be attended by the party leaders, Prime Ministers and Foreign Ministers, accompanied by other high party officials from the Soviet Union, Bulgaria, Czechoslovakia, East Germany, Hungary, Poland and Romania.

The last East bloc summit conference took place in Bucharest in November 1976. It agreed to set up a joint secretariat and a committee of Foreign Ministers.

The Foreign Ministers met last April in Sofia while the Council of Defence Ministers, the highest body in the military sphere, had its last meeting in October this year in East Berlin.

Amid repeated Soviet warnings against the "adventurous cause" of China and the danger of a military conflict in Asia, Hungarian and Yugoslav observers predict a major Soviet effort to forge a united front, to be spelled out additionally in the form of a declaration of solidarity with Vietnam. But Mr. Nicolae Ceausescu, the Romanian party chief and President, is understood to have already rejected such pressures last month at a stormy meeting in Bucharest with Mr. Andrei Gromyko, the Soviet Foreign Minister.

Though not directly referring to China, a joint communique issued last week in Belgrade by President Ceausescu and Marshal Tito after the talks spoke out in favour of "democratic relations" for a permanent dialogue "in a constructive spirit" without condemnations and attacks between Communist and workers parties.

The Warsaw Pact, founded in May, 1955, has failed to become an effective Soviet instrument of joint policy-making. Its supreme body has so far held only 15 meetings, although the statutes originally provided for "conferences held according to need but at least twice a year."

Although the key positions, such as Supreme Commander, Chief of General Staff, etc., have always been held by Soviet marshals and functionaries, the Romanians have so far successfully frustrated Soviet attempts designed to strengthen military co-operation and to restore a greater degree of discipline and unity in foreign policy.

Meanwhile it is understood from diplomatic sources that the Soviets are pressing for more military and economic aid to be provided by the other member states to Vietnam.

It is also expected that the Kremlin will point to increased military spending by NATO as a link between China and West European states, and will push for both accelerated military integration and higher military spending by the Warsaw Pact.

However, at the same time rumours circulate in Budapest that—faced with a growing imbalance in their foreign trade —the Hungarian and Polish Governments have recently turned to the Soviet Union for economic assistance.

In view of the sharpening conflict between Moscow and Peking, observers speculate that the meeting in Moscow may issue not only a joint communique but also a separate declaration against China which would not be signed formally by Romania.

Meanwhile, even such a moderate leader as Mr. Janos Kadar, the Hungarian First Secretary, found it necessary last night to attack China.

However, it may be politically more significant that Mr. Kadar, who has just returned from a successful trip to Paris, upheld the right of each Communist party to decide alone at any time and under any circumstances the methods and solutions to be applied in its revolutionary struggle.

Stressing absolute loyalty to the Soviet Union, Mr. Kadar also spoke out indirectly in favour of the Western Communist parties when he said that it was possible and even likely that the number of countries where several parties exist will increase in the future. It was a practical and political question, not a matter of principle, whether there should be a single or multi-party system in Socialism, he stressed. This statement can be regarded as covert political assistance for the so-called Eurocommunist parties.

Holland expects payment deficit

BY CHARLES BATCHELOR

AMSTERDAM, Nov. 20.

HOLLAND EXPECTS its balance of payments current account to show a deficit in 1978—for the first time in seven years. The country's balance of payments performance in the first half of the year had already indicated that it would have difficulty remaining in the black on its current account, but this has now been confirmed by the Finance Ministry.

"There will be a deficit this year, but we do not know how big it will be," Finance Minister Mr. Frans Andriessen said. "This is not so worrying because we have built up a reserve in the past few years. It is a signal though that our international competitiveness has run into difficulties."

Finance Ministry figures show that Holland had a current account balance of payments deficit on a transactions basis of Fl 930m (£232m) in the first six months of 1978. Corrected for seasonal factors, the deficit rose to Fl 1.72bn. According to the central bank's unadjusted figures, Holland last showed a current account deficit of Fl 442m in 1971. It ran substantial surpluses in subsequent years, culminating in a surplus of Fl 7.4bn in 1976. Last year the surplus was cut sharply to Fl 1.1bn.

Three factors have accounted for the expected deficit this year, Mr. Andriessen said in a radio interview. Dutch companies appear to have built up stocks to a greater extent than normal, although this will be compensated for in the future. Transfer payments to the EEC may have also distorted the picture, while statistical factors may have made the 1978 performance appear worse than it is, he said. Despite these distortions, the worsening position is largely due to the fact that Holland has lost about 10 per cent of its share of world trade in recent years.

A survey of the Dutch balance of payments position carried out by the Algemene Bank Nederland and published this week showed that the share of domestically oriented industries in gross national product underwent considerable growth in the period 1963-75. Those industries which contribute to the balance of payments correspondingly saw their share of GNP cut, the bank said.

Member of Congress sentenced to 3 years

By Our U.S. Editor

WASHINGTON, Nov. 20.

MR. CHARLES DIGGS, the elder Statesman of the black congressional caucus, was today sentenced to three years in prison after being found guilty last month of illegally supplementing his Congressional payroll from Government funds.

Mr. Diggs's office said a statement would be issued later this week, presumably on whether or not he will resign from Congress. He was re-elected this month by an overwhelming margin for a 13th term in the House of Representatives by his constituency in Detroit, Michigan.

His lawyer said he would appeal against the sentence: the judge in fact appeared to offer the hope of reducing the sentence if Mr. Diggs made substantial progress in reducing the size of his outstanding debts, said to total about $175,000.

There is nothing in the law to prevent Congressmen from continuing to serve while in prison, although a member of the House cannot vote from jail.

Mr. Diggs had become an extremely influential Congressman, in both domestic and foreign affairs. He was widely considered the expert in the House in Africa and has tended to support the Carter Administration's Africa policies.

Westinghouse fined over illegal Egyptian payments

BY JUREK MARTIN, U.S. EDITOR

WASHINGTON, Nov. 20.

WESTINGHOUSE Corporation was today fined $300,000 for making illegal payments to a senior Egyptian civil servant, identified in court papers as Mr. Ahmed Sultan Ismail, until last month a Deputy Prime Minister in President Sadat's Government.

This case appeared last month to be moving towards a relatively routine plea-bargaining solution between Westinghouse and the Justice Department, but was thrown into unexpected turmoil when Mr Barrington Parker, the federal judge handling the case, rejected the settlement, partly because the two sides had agreed to mention neither the country in which the payments were made nor the individual recipient.

Judge Parker also objected to the settlement including the precise fine to be paid by Westinghouse, thus removing his judicial discretion.

Soon afterwards, however the Washington Post, quoting unnamed sources, identified Mr. Ahmed Sultan Ismail as having taken $322,000 in improper payments from the company in connection with Westinghouse's bid for a $30m electricity plant contract in Egypt in 1975.

The Justice Department lawyer today admitted there was no point in continuing to withhold names from the settlement. Earlier, the Government, with the full support of the State Department, had argued that it was not in U.S. foreign policy interests to have the names released.

This is still the Government's position, and it is doubtful if the combined efforts of Judge Parker and the Washington Post have effected much change in the Government's basic approach. But a chink may have been opened in the legal defences as a result of this case and may, as a result, be tested further.

World population growth slows

BY OUR OWN CORRESPONDENT

WASHINGTON, Nov. 20.

THE UNITED STATES Census Bureau has found what it describes as "a very significant" decline in the rate of increase in the world's population.

The Bureau said in a report released today that in 1976 the global population grew by 1.7-2.0 per cent; for the decade to date it has grown by a yearly average of 1.9 per cent, the first time it has fallen below 2 per cent since immediately after the Second World War.

According to one of the report's principal authors, the importance lies mainly in the turn-down in the rate of increase 10 years before it was expected. He emphasised however, that he still did not anticipate a zero growth rate until 2020-2025 at the earliest.

A number of other studies in the last year have pointed to surprising and perceptible falls in the population growth rate, though population experts have been careful to warn that the numbers remain so high that it is impossible to conclude that the whole population "problem," and the necessary allocating of scarce resources, has suddenly been solved.

The report estimates that in the middle of last year the global population stood at 4.2bn compared with 3.5bn 10 years before. Generally, projections of the world population by the year 2000 are in the 5.8bn-6.2bn range.

The Census Bureau study drew particular attention to the decline in the rate of growth in Sri Lanka, the Philippines, Thailand, South Korea, Colombia, South Africa, Turkey and probably China (though the figures are imprecise).

Thousand suicides feared at jungle camp

BY MAURICE IRVINE

LOS ANGELES, Nov. 20

GROUPS OF men and women, most of them black, stood outside the wrought iron gates of the U.S. headquarters of the People's Temple in San Francisco today, waiting for news of relatives and friends at the cult's jungle camp in Guyana.

Some 300 bodies have been found at the Jonestown camp in northwest Guyana after a mass suicide. At least 1,000 people, nearly all U.S. citizens, are believed to have been living at the camp and so far there is no indication of the fate of the others.

Mr Steven Katzaris, a Californian psychologist who travelled to Guyana with an investigation team led by Congressman Leo Ryan, predicted that the missing would all be found dead. Mr. Katzaris, who had hoped to rescue his daughter from Jonestown, said cult followers had staged mass suicide rehearsals and left suicide notes in California before moving to Guyana.

Mr Ryan and four others were killed in an ambush near the camp on Saturday night, 150 miles from the Guyana capital of Georgetown. They were about to board an aircraft to return to the capital after a 24-hour fact-finding mission. Mr. Ryan's visit was prompted by allegations that the People's Temple was holding people against their will at its Jonestown agricultural community.

The cult's leader, the Rev. Jim Jones, a Californian, is described here as "a prophet of God" who predicted a fascist take-over of America to be followed by a nuclear holocaust. According to reports from Guyana, Mr. Jones is believed to have taken his own life.

The Jones headquarters in San Francisco remained locked today. The total membership of the cult remaining in California is believed to number several hundred.

A spokesman said radio contact with the jungle camp in Guyana had been broken for days.

At the height of his influence in San Francisco five years ago Mr. Jones was courted by politicians, bankers and businessmen, who praised his work and benefited from his political skill.

Aged 46, Jones came from an obscure Mid-Western mission 14 years ago. He became chairman of the city housing commission and at one stage foreman of a San Francisco grand jury.

His temple meetings were attended by the city's police chief and mayor and by Mr Jerry Brown, California's Governor. Mr. Jones met Vice-President Mondale and joined President Carter's wife during an election tour.

Reports from deserters who fled the Guyana camp said that Mr. Jones, who is white, posed as a mixture of Christ and a reborn Lenin to his largely black congregation. He is alleged to have claimed miraculous cures and to have resurrected the dead.

Among his prophesies was one of a world-wide race war in which the blacks would be driven into gas ovens and the Western world would be destroyed by nuclear bombs. Members of the cult gave all their goods to the temple. Transgressors of the cult's strict rules faced a board of education —said to be a wooden paddle wielded by a muscular man.

Cult members received about $2 a week pocket money. Some begged on the streets of San Francisco and Los Angeles. Others made articles which could be sold for the cult.

Political leaders who visited the cult's temples were shown members who claimed to be reformed criminals and drug addicts. The thousands of members helped Mr Jones's political friends in elections by delivering campaign material and voting as a block.

Mr Jones flew to Guyana four years ago to create a cult sanctuary. A friend explained: "Jim read an article about the nine best places in the world to hide from the great holocaust he saw coming."

Mr Jones acquired several thousand acres of jungle for his refuge, using money supplied by his followers. But complaints of brutal conditions at the camp leaked back to the U.S.

Deserters who returned recently said the leader had issued orders for mass suicide if the camp was ever attacked by a U.S. Government agency. They said, Mr. Jones thought the FBI was out to destroy the temple. It seems that the investigatory visit by the Ryan team was seen as just such an attack.

Somoza defies opposition deadline

By Hugh O'Shaughnessy

GAUTAMALA CITY, Nov. 20.

GEN. ANASTASIO SOMOZA, the President of Nicaragua, is refusing to quit the Presidency despite international and domestic pressure.

As tomorrow's deadline fixed by the opposition for the abdication approaches, Gen. Somoza insists that he will not resign in spite of increasing financial and political difficulties. In a speech yesterday he commented: "My opponents believed I was stuck on with saliva, like stamps."

The Somoza Government's financial difficulties were made clear here at the weekend when Dr. Roberto Incer Barquero, chairman of the Nicaraguan Central Bank, made a surprise oral application to the Central South American Monetary Council for a loan of $20m. In the absence of the chairman of Costa Rica's Central Bank, the application could not be approved.

Earlier this month the Somoza Government met U.S. opposition in the International Monetary Fund to an application for a $20m credit under the compensatory finance scheme.

Meanwhile, Sandinista guerrillas are stepping up activities against Gen. Somoza. They carried out two bank raids in Masaya on Saturday, the fifth such action in a week. The week's haul has been put at $250,000.

The broad Opposition Front whose members include business and professional men, is disappointed with the meagre results of U.S.-sponsored mediation efforts between the Government and opposition. It is planning to call another general strike in an effort to persuade President Somoza to go.

The strike could well be followed by a new Sandinista offensive in the next few weeks and by the restarting of the general insurrection against Somoza rule. Reports from Costa Rica and Honduras say that the Sandinistas have received more arms supplies and have been stepping up programmes to train hundreds of new recruits who have joined the guerrilla movement since

Greek strike over

Greece's telecommunications technicians returned to work yesterday after a two-week strike which brought the country's telephone and telex network to a near-standstill, AP writes from Athens. Officials of the state-run Greek Telecommunications Organization (OTE) said it would take some time until services returned to normal owing to the backlog of work.

U.S. COMPANY NEWS

Hudson's Bay bid values Simpson's at $337m: Fruehauf chiefs resign after fraud case: Kennecott seeks to appoint Exxon official—Page 25

Contending interests in Canada, writes **W. L. Leutkens**, could wreck Prime Minister Pierre Trudeau's attempt to renew the constitution

Une question de langue divides the Canadians

MR. PIERRE TRUDEAU'S endeavour to renew the Canadian constitution as a matter of urgency looks like coming to grief because of the contending interests of the nine English-speaking provinces, the ambiguous attitude of Quebec, and the weakness of his own Canadian Government.

A group of ministers from the provinces and from Ottawa will meet on November 23 and again on December 14 to consider proposals for reform. Then, on February 5-6 Mr. Trudeau and the ten provincial premiers will meet to see what can be done. The answer will almost certainly be "not much."

Mr. Trudeau has throughout ten years as federal prime minister wanted to achieve two things in the constitutional field. He wants the constitution to become a firm guarantor of the language rights of the two founding nations of Canada — the English speakers, who now account for about four fifths of the population, and the French who account for almost all the rest.

His first objective is to have a Bill of Rights adopted. Besides the usual provisions of such a document it would as its political centrepiece incorporate a guarantee of the language rights of the founding nations. The key promise is that where the French—or, as in Quebec, the English—are in a minority, their children should be assured of the right to be schooled in their parents' language wherever numbers warrant.

The second, longer term objective, is to turn the constitution —at present an Act of the British Parliament originally passed in 1867—into a Canadian document. To this day there are a number of areas where the constitution can only be altered by the British Parliament, because for over 50 years Canadians have not been able to agree on procedure for amending it themselves. To Mr. Trudeau that is redolent of colonialism and conflicts with the establishment of that truly Canadian nationhood which he sees as a bond between French and English.

The Trudeau formula has all the makings of a conflict with the Parti Quebecois Government in Quebec City. The Parti Quebecois has adopted a programme of political sovereignty for Quebec though in economic union (or association as the PQ says) with the rest of Canada. But when Mr. Trudeau and the provincial premiers met in Ottawa from October 30 to December 1, the premier of Quebec, Mr. Rene Levesque, adopted an outwardly conciliatory line. He had tactical reasons, since intransigence would needlessly have upset the other premiers, many of whom have their own qualms about the Trudeau plan. Moreover Mr. Levesque cannot very well reject out-of-hand a possible increase of provincial powers: his own electorate might object.

But on the key question Mr. Levesque remained adamant. Quebec will not agree to a formula for amending the constitution until there is agreement on how to re-divide powers between the federal and provincial governments in a manner satisfying its aspirations.

On the face of it, that really means "no" unless there is a very profound change of heart in Quebec City. It is as well to remember that the previous attempt to "patriate" the Canadian constitution, as it is called, was torpedoed in 1971 by Mr. Levesque's predecessor, Mr. Robert Bourassa, a federalist and Liberal like Mr. Trudeau.

Mr. Pierre Trudeau

But it would be quite wrong to say that Quebec is the only stumbling block. Several of the English-Canadian premiers at the Ottawa conference had doubts about the proposed bill of rights. Any attempt to tackle the language problem is more likely to lose than to gain votes in western Canada where the French are few and far between. Moreover, the British tradition of the absolute supremacy of parliament is deeply entrenched in Canada. Mr. Trudeau's Bill of Rights had few warm friends.

Yet the Ottawa conference did not pass off without progress. Mr. Trudeau got things moving with an offer to redefine the allocation of powers between Ottawa and the provinces. That caused an immediate response from premiers who scented an opportunity to increase their own powers, and in particular from Mr. Peter Lougheed of Alberta, and Mr. Allan Blakeney of Saskatchewan. Their principal interest was in Mr. Trudeau's readiness to define more closely the provincial responsibility for natural resources, which is laid down in the existing British North America ACT (BNA).

The reason was that this particular provincial responsibility is often hemmed in by other federal powers. Thus Mr. Lougheed, whose province is the main source of Canadian oil and gas, found some years ago that federal responsibility for foreign trade prevented him from increasing deliveries to the U.S. where they would have commanded a higher price than in Canada. Clearly, Ottawa will not abdicate its rights over foreign trade, but Mr. Trudeau has signalled a readiness to bargain.

Mr. Trudeau is ready for a deal in several other areas. One is cable television, which both Ottawa and the provinces claim as their own. Besides, he offered to give constitutional guarantees for the so-called equalisation payments which Ottawa makes to the poorer provinces to improve their revenues. It is of crucial significance to the easternmost provinces that these payments must never be stopped.

The position now reached is that these questions are being gone over in time for the resumption of the first Ministers' meeting in February. Mr. Trudeau clings to the hope that their meeting will clear the way for two steps to be made by July 1.

One is the Bill of Rights. The other is a reform of the constitutional court, with the purpose of making it more representative of the divers regions of Canada.

Mr. Rene Levesque

Iraq says OPEC production pact has restricted sales

BY LESLIE MITCHELL

KUWAIT, Nov. 20.

OPEC members have held back from *taking advantage of the* opportunity to sell additional crude because of the drop in Iranian production, according to Mr. Tayeh Abdel-Karim, Iraq's Oil Minister.

He said this was because of a *production agreement reached* at the OPEC meeting in Geneva last June. It was aimed at absorbing the surplus of oil which had been exerting a downward pressure on oil prices. Mr. Karim said the arrangement would expire at the end of the year, but might be invoked when the oil surplus reappeared.

However, Saudi Arabia's crude production for the month of November has been running at over 10m barrels a day—above the year's ceiling set by the Government at 8.5m b/d. But even if production was raised to 10.5m b/d for the rest of the year, neither the overall ceiling *nor* the Government's export ratio of 65-53 light-heavy crude *would* be broken.

According to Dr. Awni Shakr al-Ani, director-general at the Iraqi Oil Ministry concerned with OPEC affairs, each member, under the terms of the arrangements made last June, had volunteered to do what it could to limit its production to meet market demand.

Some had agreed to large limitations, others to small ones, and some to none at all. Neither the Minister nor Dr. al-Ani would disclose which country had agreed to what but Kuwait, Venezuela and Libya have been *absorbing the bulk of production* cutbacks.

Even before the problems in Iran appeared, Kuwait had been restricting its customers' liftings to contract maximums. In 1976, before the OPEC price rise *voted at Doha, it allowed its* customers to lift heavily over contract maximums in the fourth quarter.

On the price rise to be discussed at the OPEC meeting in Abu Dhabi in December, Mr. Karim *said:* "We do not demand an unreasonable increase but we want a reasonable one which the consuming countries can bear, in the light of the inflation rate and depreciation of the dollar."

Kathleen Bishtawi reports from Abu Dhabi: Mr. Michael Blumenthal, the U.S. Treasury Secretary, found a generally sympathetic reception here today to his arguments that it is in the *long-term interest of oil producers* not to go for a big rise in prices at the OPEC meeting here next month.

One of the principal U.S. arguments is that if oil states go for a large increase, the effect on the dollar will immediately wipe out any gains that the increase generates.

The first two stops of Mr. Blumenthal's tour—Jeddah and Abu Dhabi—may prove easier than the next — Tehran and Kuwait—which are known for their more hawkish views on the pricing issue.

Sadat statement on treaty welcomed by Begin

BY L. DANIEL

TEL AVIV, Nov. 20

MR. MENAHEM BEGIN, the Israeli Prime Minister today warmly welcomed President Anwar Sadat of Egypt's latest statement that a peace treaty between the two countries can be signed shortly. Mr. Begin suggested that he go to Cairo to sign the Hebrew version there, and invited President Sadat to sign the Arabic text in Jerusalem.

He also suggested that President Jimmy Carter should be asked to attend as at witness at both occasions.

Despite the current problems over the linkage between *Israeli* withdrawal from Sinai and the establishment of autonomy on the occupied West Bank and Gaza Strip, there is feeling here that the peace treaty will be signed.

Mr. Ezer Weizman, Israel's Defence Minister, today briefed the Knesset Foreign Affairs and Security Committee on the plans for the withdrawal of the Israeli forces from Sinai, as worked out in Washington. It is understood that the Defence Minister reiterated his view that although some problems remain, Egypt definitely wants peace.

Mr. Weizman reportedly said that Egypt had to try to obtain a time link between the withdrawal from Sinai and the *establishment of autonomy* in the West Bank and Gaza because of its position in the Arab world.

Cracks appear in Pretoria's facade of unity

BY QUENTIN PEEL

JOHANNESBURG, Nov. 20.

SOUTH AFRICA'S Government was facing crises on two fronts today, with unprecedented public recriminations between its leading members, and outspoken criticism of its policies by normally conservative black homeland leaders.

The disagreements have surfaced just as a new Cabinet, with a distinctly moderate leaning, was sworn in by Mr. John Vorster, the President.

The traditional facade of monolithic unity presented by the ruling National Party has been rudely shattered by the *Information Department* scandal involving allegations of misuse of public money and possible corruption.

Two key leaders, Mr. Pik Botha, the Foreign Minister, and Dr. Connie Mulder, the former *Information Minister, were* involved in a public slanging match at the weekend. At the same time, Mr. P. W. Botha, the Prime Minister, delivered a public rebuke in all but name to Dr. Andries Treurnicht, the Deputy Minister of Plural Relations (Black Affairs) and the leading conservative candidate to succeed Dr. Mulder as leader of the party in Transvaal.

Both Mr. Pik Botha and Dr. Mulder accused each other of back-stabbing in the contest for the Premiership, in which they were losing candidates, and in the subsequent Information Department debacle. Dr. Mulder, who resigned from the Cabinet and Transvaal leadership two weeks ago, gave notice of his intended response when the "time was ripe."

The Prime Minister's attack on Dr. Treurnicht, whom he deliberately passed over in the latest Cabinet reshuffle in spite of his popularity with the party's conservative grass roots, concerned the latter's interpretation *of the government's proposals* for constitutional reform. Dr. Treurnicht had said that the planned multi-racial Council of Cabinets would be merely a consultative body. Mr. Botha said that on the contrary the proposed council would propose legislation.

Such public in-fighting is virtually *unheard of* in the ruling party, and its existence, in spite of appeals for unity from many party leaders and newspapers, is a clear indication of the agonising going on within Afrikanerdom.

Th outside attack on the government came from a meeting in Johannesburg of the leaders of all the tribal homelands, or their representatives. The meeting concluded that the policy of independent homelands and constitutional amendments excluding any black representation "is unacceptable to the majority of blacks, and therefore is no solution to the South African political impasse." The homeland leaders decided to hold a further meeting to decide on an agenda for "an urgent meeting" with the Prime Minister next year. The agenda would contain suggestions for a "fair dispensation" for all South Africans.

Meanwhile, police have arrested 23 armed guerrillas belonging to the banned Pan Africanist Congress, according to *Mr. Jimmy Kruger, the Minister* of Police. Mr. Kruger, who claimed the police had already indentified most of the 4,000 Nationalist guerrillas being trained outside the country, said the PAC had 78 recruits being trained in China. There were also training camps for the banned African National Congress in Angola, Mozambique, Tanzania and Zambia.

Mr. Kruger said in a radio interview that South Africa could *not be defeated by a conventional* war, but "terrorists" were conducting a psychological struggle to undermine confidence in the country's security measures and security forces.

Six black leaders released from *detention at the weekend* have been served with banning and restriction orders. The six, all members of the banned Black People's Convention, had been held without trial since October, 1977.

Gandhi success could realign Indian politics

By K. K. Sharma

NEW DELHI, Nov. 20.

AMID JEERS from the ruling Janata Party benches and cheers from her Congress (I) supporters, **Mrs. Indira Gandhi was today sworn in again as a member of the Lok Sabha (lower house of the Indian Parliament) after a break of 19 months. She was elected from the Chikmagalur constituency in Karnataka state earlier this month.**

Mrs. Gandhi's re-entry into the Indian Parliament is clearly a landmark. Quite apart from the remarkable comeback to public life after an ignominious defeat in the 1977 general election, it could lead to a realignment in Indian politics.

Already Mrs. Gandhi's faction in the Congress Party has made feelers to the official Congress Party—from which it broke last January—for unity and has not found the latter unresponsive.

With prospects of Opposition unity under Mrs. Gandhi growing, the ruling Janata *Party finds itself increasingly* disunited. Its leaders returned to New Delhi over the weekend after a four-day meeting at Ujjain, a small town in Madhya Pradesh state, where they held a bitter discussion *on the Government's performance*—or "non performance," as Mr. George Fernandez, Minister of Industry, put it.

Hua and senior leaders may be target of Peking wall-poster

BY COLINA MacDOUGALL

A WALL-POSTER in Peking criticising the father of Chinese Communism, Mao Tse-tung, may be directed at several senior leaders, most notably his successor, Chairman Hua Kuo-feng.

The poster — the first direct attack on Mao since the undermining of his policies in September 1976 — was still on view yesterday.

Written by workers in a Peking car repair garage, the poster said that Chairman Mao had become highly metaphysical in his old age and had supported the "Gang of Four" in raising their hands to strike down Teng Hsiao-ping. The Gang, it continued, had used Mao's mistaken judgment about class struggle to launch an all-out offensive against China's revolutionary cause.

The reference to Mao as "metaphysical" is an escalation of the fierce campaign against "idealism" — an aberration pinned on to the Gang of Four (Mao's wife and three colleagues) and Lin Piao, Mao's for*mer heir, who died fleeing after* an abortive coup in 1971.

The implication of the poster must be that those close to Mao in his last years, a group which includes Chairman Hua Kuo-feng and several other senior leaders in the current administration, are associated with his mistakes.

Teng Hsiao-peng

Current Chinese policy stresses pragmatism and learning by experience, the opposite of "idealism." This direct attack on Mao is another salvo in the power struggle between the veteran officials led by Teng Hsiao-ping and the beneficiaries of the Cultural Revolution, chief of whom is Chairman Hua.

However, Chairman Hua, whose claim to supreme power rests on Mao's alleged choice of him as successor, last Saturday firmly identified himself with the veterans by writing an inscription for a book of poems originally put up in Tien An Men Square in April 1976 in commemoration of the dead Premier, Chou En-lai.

The commemoration ceremonies led to what has been regarded as pro-Teng rioting and the arrest of the participants, who were exonerated only recently following last month's dismissal of Wu Teh, the Mayor of Peking.

While this may save Chairman Hua, other *senior leaders* may now lose their jobs. The position of Vice-Chairman Wang Tung-Hsing, fifth in the hierarchy and once Mao's bodyguard, who changed sides to arrest Mao's wife and her colleagues in October 1976, looks increasingly shaky.

The attack on all those responsible for the cultural Revolution moved into high gear last week. On November 15 it was announced that five important Red Guard leaders, previously members of the Peking Revolutionary Committee, had been arrested and dealt with according to law, a phrase which appears to mean execution.

On the same day, the Kuang-ming Daily newspaper repudiated the 1965 article which had signalled the start of the Cultural Revolution

NEW ZEALAND ELECTION

Muldoon facing protest vote

BY DAI HAYWARD IN WELLINGTON

ON PAPER New Zealand's National Party under Prime Minister Robert Muldoon appears to have a secure grip on the Treasury benches. It has a comfortable majority of 21 in the 87-seat Parliament, has strong support in five new seats created for this Saturday's election, and opinion polls taken two weeks ago give the Government a comfortable lead over Labour.

Labour needs a 5.2 per cent swing to take power on November 25, and during the campaign has failed to produce any fiery enthusiasm to capture the swinging voter.

However the result is by no means so clear cut. No political commentator is prepared to concede a major National win.

One reason is that never before have there been so many imponderables in the New Zealand political scene. There are also local factors in many electorates which could produce a surprise result against the national trend.

During the election campaign *the Government has managed* to divert public attention from the economy and its attendant ills. Although Labour has tried to make these election-winning issues, it has failed to do so.

There is no doubt that the Government, and particularly Mr Muldoon himself, completely misread the feelings of women and tens of thousands of New Zealanders when it rushed new tougher anti-abortion laws through parliament in a non-stop *36-hour session last year.*

They assumed that once the new laws came into force the abortion agitation would die away.

Instead it has rallied women of all parties into a greater political awareness, creating a movement entitled "Repeal" dedicated to defeating MPs with strong anti-abortion views.

A petition organised by women with the backing of Church leaders — apart from Roman Catholics — prominent New Zealanders, legal dignatories, the mayoress of Auckland, Christchurch and other major cities as well as well known women from every walk of life, collected 325,000 signatures.

Bearing in mind New Zealand's population of 3.1m this was massive support for repealing the abortion law. New Zealand's four women Members of Parliament forgot their political differences to jointly present the petition to Parliament. It failed to make any impact and was brushed aside by Government.

Now a well organised women's lobby is urging women throughout the country to vote against any candidate of any party who does not agree to repeal the abortion law.

Another factor is the silent voter. These are the many New Zealanders unhappy with recent trends, with National Party policies and attitudes, and with Mr. Muldoon's own very *personal* style of politics.

There are many concerned with human rights and freedom of the individual who believe these are being eroded in New Zealand. Mr. Muldoon's repeated *attacks on "intellectuals,"* the media, and his aggressive, belligerent attitude to individuals or organisations who utter the slightest criticism of the Government or of himself, worry many.

On the other hand, many New Zealanders, including a significant number who a few years ago would be solid Labour voters, identify more closely with Mr. Muldoon and his somewhat intolerant attitudes.

They admire his tough style and methods, his frequent vitriolic attacks on opponents and the brushing aside of any diplomatic niceties in making clear to foreign governments, trade unions or even individuals that New Zealand's government is not to be trifled with.

Labour also failed to make the hoped-for impact with its new tax proposals. These would free thousands of lower paid workers from the necessity of paying any income tax at all while others would pay a much *reduced level of income tax.*

Other Labour tax inducements were tax concessions for farmers and big tax reductions on overtime earnings.

Labour's policy planners put considerable importance on its new tax structure as a vote-catcher and election winner. However it failed to explain the proposals simply and clearly to the man in the street.

Labour's scheme would reduce the total income tax bill for salary and wage earners by about NZ$20m (£10.8m). It would recoup this loss in revenue from new taxes on overseas exchange transactions.

The final unknown quantity in the election scene is the impact which will be made by the third party—Social Credit. A few months ago Social Credit won a by-election from National to put its solitary representative in Parliament.

It is fighting hard to increase this representation and has made considerable impact on the electorate. Opinion polls now give it about 17 per cent support.

CROWN AGENTS

Getting back to Principals

BY LORNE BARLING

THE CROWN AGENTS, while apparently suffering at home from the aftermath of their much publicised "own account" financial losses, are confident that the traditional services which they provide to foreign governments and public authorities have not been seriously impaired.

The belief that their overseas Principals—or clients—have not been discouraged by the problems is supported by steadily rising orders for goods which last year amounted to £195m, more than double the figure for 1973. More significant, perhaps, is a distinct shift in orders towards more sophisticated equipment.

With the morale of the 2,000 Crown Agents' employees at home and abroad clearly in need of a boost, senior management has now adopted a policy of vigorously seeking new business by setting up a marketing and development department.

Due to constant changes in trade patterns it is thought necessary to discover the real needs of Principals rather than supply services which the Crown Agents think they require. They stress the fact that they can provide package deals from initial studies to administration.

Historically, the role of the Crown Agents, much obscured by revelations regarding its "own account" investment activities, has been something akin to quartermaster to the Commonwealth, providing anything from boots for police forces to roads and bridges.

It is that expertise which the Crown Agents now intend to use, acting on behalf of a large number of Principals, mainly developing countries, seeking to buy the most suitable products and services for their economies.

Mr. Sidney Eburne, Senior Crown Agent and chairman, believes that changing requirements in the Third World, such as the need for more advanced equipment, provides a challenge for the Crown Agents. For example, the organisation recently completed the supply of a colour television station to Brunei, drawing on both internal and external resources to carry out the feasibility study, place orders and manage its construction. Finally, they recruited the necessary personnel to run the station.

"... it must be remembered that we are acting as agents for the many Principals who employ us and therefore we are expected to buy in the best market, be that Britain, Japan, Singapore or Hong Kong."

Few companies, if any, can provide this range of services, the Crown Agents claim. In addition to its own engineering department, close links are maintained with private consultants and state organisations such as Transmark (British Rail's overseas contracting arm) and the Post Office.

Recent values of procurement orders provide a clear picture of the changing pattern of demand. Last year orders for telecommunication equipment rose to £31.2m compared with £24.3m the previous year, while uniformed services requirements fell from £56.2m to £26.7m in the same period.

Transport equipment orders, including road building, rose from £24m to nearly £50m and demand for medical supplies declined in line with improving capabilities in buyer countries. However, the average value of orders remains comparatively low at around £5,000.

The Crown Agents expected to place orders with British industry worth around £150m this year compared with £144m last year (around 70 per cent of total orders) but except in its role of managing the UK aid programme, the organisation is in no way obliged to buy British.

As Mr. Eburne explains: "The total value of orders placed in the UK is considerable and since a large number of these orders has an average value of around £5,000 we are providing assistance to small manufacturing companies in helping them export.

"However, it must be remembered that we are acting as agents for the many Principals who employ us and therefore we are expected to buy in the best market, be that Britain, Japan, Singapore or Hong Kong."

In the administration of 163 British loans and grants made available by the Ministry of Overseas Development, 103 were managed by the Crown Agents at their Principals' request during the last financial year. In addition they were involved with 14 World Bank and African Development Bank loans.

Mr. Eburne accepts that in time, developing countries will improve their procurement capabilities but he still sees plenty of scope for the Crown Agents in assisting this development, for example in the use of their inspection services.

The Crown Agents are also looking at new services such as a health care division, with emphasis on the supply of preventive medicines, and an expansion of its already extensive training services to include courses on hospital stores, a vital function in new hospitals with limited resources.

A good indication of the Crown Agents' recent performance as a supplier of goods is provided by figures for orders placed with British industry, which usually comprise around 70 per cent of total orders. In 1974 UK orders amounted to £113.2m but fell to £111m the following year.

Although a comparatively unimpressive £115m was recorded in 1976, the figure increased substantially last year to £144m. In the first eight months of this year a total of £103m had been achieved, indicating another, but less substantial, rise in business.

Lever heads City mission to Spain

By Robert Graham

MADRID, Nov. 20.

A HIGH-LEVEL City of London delegation led by Sir Harold Lever, Chancellor of the Duchy of Lancaster, today began a three-day seminar with their Spanish counterparts designed to promote closer contacts with British financial institutions.

The main focus of the seminar is to make Spanish bankers and financial institutions more aware of British expertise in invisible exports. It comes at a time when the Spanish authorities are beginning a major overhaul of their financial institutions in tune with measures to liberalise the economy.

In the past year there has been a *gradual liberalisation* of interest rates, important changes in the structure of official credit and a decree passed permitting the establishment of *foreign banks*.

The seminar itself was opened by Sr. Fernando Abril Marturell, the Minister of the Economy, who outlined the Government's plan to cut inflation to 10 per cent in 1979. Also present were Sr. Francisco Fernandez Ordonez, the Minister of Finance, and Sr. Jose Ramon Alvarez Rendueles, Governor of the Bank of Spain.

Mr. Gordon Richardson, Governor of the Bank of England, was replaced at the last minute by Sir Harold Lever, the former having to go to Brussels.

Japan TV groups look at China production sharing

BY CHARLES SMITH

TOKYO, Nov. 20.

CHINA IS sounding out Japanese electrical companies on the possibility of using production sharing as the basis for purchasing a colour television assembly plant from Japan.

China has already signed contracts for the supply of a tube plant and an integrated circuits plant from Japan, in both cases undertaking to pay cash in dollars.

It is now suggesting that a Japanese TV manufacturer should supply an assembly plant, the value of which might approach Y10bn (about $52m) and receive payment in the form of TV sets produced at the plant.

China has made similar production sharing proposals to other Japanese consumer manufacturers, including at least one motor manufacturer. The Japanese response to the idea has so far been extremely cautious.

Five Japanese electrical companies are believed to be interested in supplying the Chinese TV assembly plant. They are Hitachi, which signed a Y15bn contract for a TV tube manufacturing plant last July, Toshiba, which has contracted to supply an integrated circuits plant also valued at Y15bn, Matsushita Electric, Sanyo and Sharp. None of the five has admitted receiving "formal proposals" from China on the production sharing idea.

The only major Japanese TV producer not potentially in the race is Sony, whose sets use the specially designed Sony Trinitron tube and could not therefore use tubes from the plant Hitachi will be building in China.

A spokesman for Toshiba told the Financial Times today that he was aware of the proposal in general terms and that his company had doubts about its acceptability. One problem bothering Toshiba is how to guarantee the quality of Chinese colour TV sets.

There is also the question of access for China-made sets to markets, such as the U.S., where Japan's colour TV exports are already being restrained under orderly marketing arrangements. China has no previous experience as a manufacturer of colour TV sets and would thus be a newcover to world markets.

Reuter adds: China and Japan will next week hold their first trade talks since signing a Peace and Friendship Treaty in August, the Japanese Foreign Ministry announced today.

They may discuss ways to modify international embargoes on the sale of strategic goods to Communist countries, government officials said. The talks in Peking on November 28 and 29 are also expected to consider preferential tariffs for Chinese exports to Japan and an expansion of a $20bn trade deal signed last February.

Trade between the two countries is expected to reach a record $5.6bn this year, according to the Japanese Association for the Promotion of International Trade.

● China is reported to have told a visiting French delegation that French companies could invest directly in its industry, according to AP in Paris.

The Paris business newspaper Le Nouveau Journal quoted Mr. Francois Giscard d'Estaing, brother of the President and head of the delegation, as saying China "formally" proposed that the Peugeot-Citroen automobile manufacturer and the Pechiney-Ugine-Kuhlmann chemical group "invest directly in China."

Mr. Giscard d'Estaing, head of the French state-run Foreign Trade Bank, has returned to Paris from China but was not available for comment on the report.

A spokesman for Peugeot-Citroen, however, confirmed that the company's talks in Peking involved the possibility of direct investments, but said it was premature to go into details.

Exports from Britain improve in October

BY OUR FOREIGN STAFF

BRITISH EXPORTS to Japan increased by 51.3 per cent in October, compared with the same month last year, putting the cumulative total for the first 10 months of this year up by 18.4 per cent, according to provisional figures from the British Overseas Trade Board.

Although Japanese exports to the UK also rose in October and cumulatively were still rising faster than British exports, the crude trade balance is not widening as fast as last year, the board pointed out.

It is anticipated that shipments of cars from Japan to Britain will drop in the last two months of this year with some impact on the visible trade gap.

The increase in volume of exports to Japan is now running at nearly double the British average for the rest of the world and, according to the board, well above that of West Germany which was 3 per cent.

Sectors which have shown strong growth in the first eight months are agricultural tractors (up 97 per cent to £20.9m), wool fabrics (up 47 per cent to £22.1m), pharmaceuticals (up 27 per cent to £19.2m), passenger cars (up 77 per cent to £8.9m) and clothing (up 58 per cent to £6.7m).

Swedes lift pulp prices in bid to resume profits

BY WILLIAM DULLFORCE

STOCKHOLM, Nov. 20.

SWEDISH PAPER pulp manufacturers will raise the prices of the market pulp delivered to their European customers by $30 a tonne with effect from January 1. Finnish manufacturers are expected to follow suit.

The new prices should restore the Swedish mills to profit after two years of substantial losses, it is calculated.

The lead price of bleached softwood sulphate pulp will rise from $380 to $410 a tonne with corresponding increases in other grades. Strengthened demand from European papermakers this year has enabled the Swedes to reduce their unsold pulp stocks to normal levels and to raise production at the mills from 70 to close to 85 per cent of capacity.

After collapsing to $320-$330 a tonne in the first half of 1978, the bleached sulphate price has been raised to $340 a tonne for the third quarter and to $380 a tonne in the last three months. These increases have been partly undermined by the fall in the dollar exchange rate and most pulp makers will record further severe losses in their 1978 accounts.

Poland reduces hard currency trade deficit

BY CHRISTOPHER BOBINSKI

WARSAW, Nov. 20.

POLAND'S HARD currency deficit was reduced to $819.8m in the first nine months of this year according to foreign trade statistics just published here. This represents a drop of 42 per cent on the $1.44bn deficit recorded in the same period of last year on Poland's trade with the West.

The deficit on Poland's total world trade is smaller at $742.8m due to a surplus on trade with the Socialist countries. The world trade deficit compares with the $1.5bn deficit in the January to September period of 1977.

Around 30 per cent of Poland's foreign trade is traditionally done in the last quarter and it is estimated that the hard currency deficit for 1978 should be around $1.2bn. The hard currency deficit in 1977 was $2.1bn.

Hard currency trade turnover in the first nine months of this year has gone up by ½ per cent on turnover in the same period of 1977.

Imports for January to September, 1978, at $4,825m are 6 per cent down on last year and exports at $4,005.2m are 9 per cent up on the first three-quarters of 1977.

Swiss arbitration laws criticised by Germans

BY A SPECIAL CORRESPONDENT

SWISS ARBITRATION law and practice were criticised at a meeting arranged by the German Institute for Arbitration in Stuttgart last week.

The meeting gave the German participants an opportunity to voice complaints about matters which recently have been increasingly irritating foreign parties who had their disputes arbitrated in Switzerland.

The main complaint was that the Swiss arbitration laws allow too great a possibility of seeking the intervention of the courts, both during the arbitration and after an award is made.

The same complain is often made about British arbitration law which, by its "special case procedure," makes it possible to turn almost any arbitration into litigation. Legislation announced in the Queen's Speech will remove this cause of dissatisfaction by enabling parties to contract out of a judicial review of the arbitrators' decision.

Swiss arbitration law, which originally differed from one Canton to another, has been partially unified by the 1969 "arbitration concordat" adopted by 16 Cantons, including Geneva, Berne, and Vaud which are particularly important for international arbitration. Zurich, however, which is probably the most popular Swiss centre of arbitration, refused to join the concordat and instead enacted its own arbitration law in 1976.

At the Stuttgart meeting Zurich attracted most criticism. Because Zurich arbitration awards can be set aside by courts for failure to satisfy any of the numerous formalities required by the law, it appears that it is indispensable now to have a Swiss lawyer acting as secretary of the Arbitration Tribunal and this is bound to result in considerable increase in costs.

Geneva arbitration was second in line of criticism. Within a very short time three arbitration awards made under the rules of the International Chamber of Commerce were set aside by Geneva courts.

The Swiss participants of the Stuttgart meeting argued that the difficulties encountered in Switzerland were not greater than elsewhere. However, the dissatisfaction with the present practice has been expressed also by a Swiss committee of experts drafting a new Swiss code of international private law.

In their report published earlier this month the committee stated that "the possibility of recourse to the Cantonal courts has been frequently abused so that Swiss arbitration has now lost some of its prestige."

The committee will propose that the new code should restrict the intervention of Swiss courts in arbitration proceedings.

هكذا في الأصل

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And the redesigned cab layout alone is a convincing argument for drivers to quit a company not using the vehicle.

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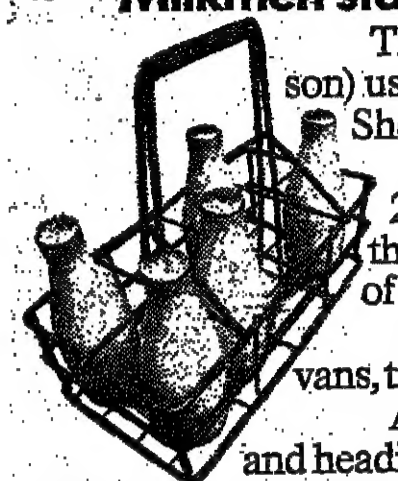


The David Andersons (father and son) use a Sherpa to deliver milk in the Shetland Islands.

Early on Saturday morning, 28th January 1978, they set off on their milk-round through 15 inches of snow at sub-zero temperatures.

The roads were chaos: cars, vans, trucks stuck in drifts everywhere.

After completing their round and heading for home in blizzard conditions, they too had to stop. The road was blocked by a 4-wheel drive vehicle unable to move further.

Moving the obstruction took 1½ hours.

By then visibility was down to about 3 feet.

Snow drifts encountered were reaching windscreen height. Although now only two miles from home they reluctantly sought refuge for the night in a nearby cottage. Next day, after digging out, brushing drifted snow off plugs and points, their Sherpa started first time.

In their own words: "Long live the Sherpa."

Nods from professional cynics

'Truck Magazine' reported a comparison between Sherpa, Transit, Bedford, VW and Dodge Vans.

Their conclusion (still endorsed by the magazine) "... the Sherpas were best all-rounders at the test track with consistent economy, respectable performance...".

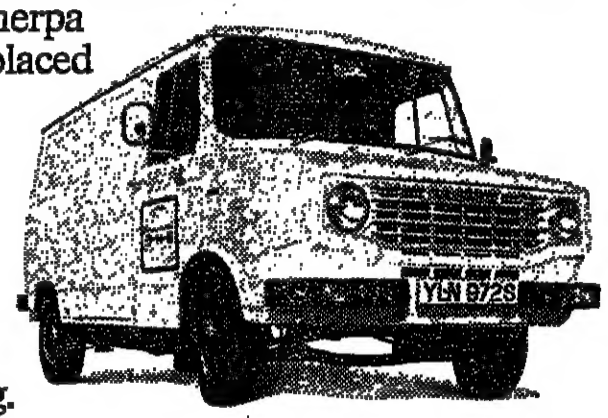
A Sherpa Diesel is the only laden van on a 'Motor Transport' Magazine road-test to break the 50mpg barrier.

An all time record.

Sherpa, the back-up to big Macks

"If a big Mack hits trouble out east, we send a Sherpa to the rescue," stated Andrew Maclean of O.H.S., Transport, Rainham, Essex.

As long-distance truckers hauling huge tonnages with the motto 'The Reliable one in International Trucking', they can't afford an unreliable rescue van.



Their first Sherpa has now been replaced by a second.

In less than six months it has already been to places as far away as Eastern Europe at an average of 22mpg.

"History is bunk," said Henry Ford

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Now a good engine has been replaced by a new, even better one.

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It is fitted with an aluminised exhaust, for far longer life – up to 40,000 miles.

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1,500,000 miles on road and track from desert to sub-arctic conditions.

Don't forget the driver

The cab layout is re-designed. All switches, controls and pedals are readily to hand or feet.

A lot of head-work has gone into the seat design. A working bum needs all the comfort it can get.

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HOME NEWS

Motor trade turnover up 20%

By Kenneth Gooding, Motor Industry Correspondent

THE BUOYANCY at the retail end of the motor trade is reflected today in Department of Industry statistics which show turnover up 20 per cent in the third quarter compared with the same period of last year.

The figures reflect price inflation to some extent because they are of turnover at present prices. But there is no doubt that motor traders have been doing well and could be heading for a record year.

In the third quarter, turnover from new vehicle sales—both cars and commercial vehicles—was up 34 per cent compared with the same months last year. For used vehicles the rise was of 23 per cent.

Other sales, including those of petrol, oil, tyres, spares and accessories as well as receipts from servicing and repairs—all areas where there has been much more consumer resistance to price increases—rose by only 8 per cent.

In the first quarter of this year, compared with the same period last year, motor trade turnover rose by 27 per cent and in the second quarter by 25 per cent.

But by the end of October new-car registrations were up 22.2 per cent on the first ten months of last year while the comparable figure for new commercial vehicles was 17 per cent.

Whittaker quits at GKN

BY HAZEL DUFFY, INDUSTRIAL CORRESPONDENT

MR. DEREK WHITTAKER, ex-managing director of Leyland Cars, is leaving GKN after only seven months. He will be joining the Rockware Group next week where he takes over as managing director of Rockware Glass on January 1.

There was no disagreement between Mr. Whittaker and GKN, which he joined in April as general manager in charge of product development. But his departure will come as a blow to GKN's plans to develop new automotive products—an area where his experience in the motor industry was of considerable value. Although the post had not been created for Mr. Whittaker, he was the first person to occupy it.

His appointment as managing director of the glass division at the Rockware Group comes as a result of internal changes. Mr. David Bailey, who has become managing director of the whole group, and whose position Mr. Whittaker is filling, said the recruitment came about "through the normal head-hunting procedure."

Mr. Bailey's appointment follows the decision of Mr. Jim Craigie to give up his position as managing director of the group, although he will be staying on as chairman—a post occupied by Peter Parker until he became chairman of British Rail.

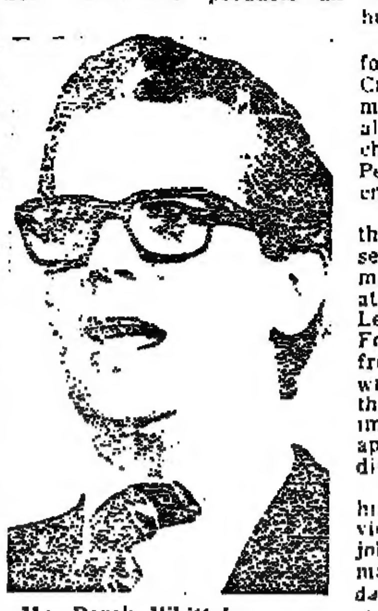
For 48-year-old Mr. Whittaker, the Rockware appointment represents a return to the task of line management which he undertook at Leyland Cars. He went to Leyland after being spotted at Ford by Mr. John Barber, and from then on his promotion within Leyland was rapid. When the Ryder Report was implemented, he was the natural appointee to head the new cars division.

Those who worked closely with him at Leyland Cars took the view that he was doing a difficult job reasonably well. But his manner during a series of damaging industrial disputes was sometimes regarded as abrasive.

Mr. Whittaker's letters to the workforce about threatened cut-backs, which were all widely publicised, were not always seen as the best way of dealing with the problem, although Mr. Michael Edwardes has subsequently carried out some of the threats. The two men clearly did not see eye to eye, and Mr. Whittaker's departure from BL came shortly after Mr. Edwardes's arrival. He was followed by several other senior BL managers.

His job at Rockware is likely to be less onerous as regards industrial relations. The glass division accounts for about 90 per cent of the group's business, with a turnover of around £100m. annually, and employs about 5,000 people. Mr. Whittaker will be based at Northampton.

One of two major glass container manufacturers in the country, Rockware's recently expressed interest in a merger with Redfearn National Glass—following a similar interest having been shown by its main competitor United Glass—was rejected by the Monopolies Commission as being against the public interest.



Mr. Derek Whittaker . . . new Rockware Glass chief

Glass makers 'face tough competition from Europe

BY LISA WOOD

BRITISH glass manufacturers are facing tough competition from glass container manufacturers in Germany and France, which have a surplus home capacity and view the UK market as a potential gold mine, said Mr. Vic Hender, group managing director of United Glass, yesterday.

Mr. Hender said that imports of glass containers in the first nine months of 1978 were 20 per cent above the 1977 level, and now had 10 per cent of the market.

But in contrast to German and French manufacturers, United Glass was still profitable in a home market which had shown only a 1 per cent growth over 1977. United Glass expected the market for glass containers in 1979 to grow by about 2 per cent, principal developments being further sales in the beer market of wide-mouth glass containers and the increasing use of Plastishield for family-size soft drinks bottles.

Mr. Hender said he anticipated a general price rise of about 8 per cent in 1979 in line with a probable continuation of the 8 per cent inflation rate.

Iraqi ban leads to jobs cut at Dennis

By Kenneth Gooding, Motor Industry Correspondent

IRAQI'S BOYCOTT of trade with Britain has forced Hestair Dennis, the specialist commercial vehicle manufacturer, to cut its workforce by 100 to 835.

Dennis has had a steady flow of orders for petrol and water tankers and fire engines from Iraq, but these have now dried up.

The boycott began after the UK expelled 11 Iraqi diplomats form London in July. Government departments and agencies, which account for about 95 per cent of the economy, were told not to trade with Britain except in "special circumstances."

Existing Dennis contracts were allowed to continue, but the company has not won orders it could have expected. The business is believed to have gone to Volvo of Sweden and Mercedes (Daimler Benz) of West Germany.

Other UK engineering concerns have been even harder hit than Dennis. Petbow had a £1m order for power generators cancelled immediately the boycott began and this, together with other problems led to a cut of 100 in the 800-strong workforce.

Both companies have also been suffering from the downturn in economic activity in other parts of the Middle East.

Mr. David Hargreaves, chairman of Hestair, Dennis's parent concern, said yesterday: "This does not change the long-term view or plans for Dennis, but sometimes you have to take short-term measures you don't like to safeguard the future.

"This cut in employment is an adjustment. We are not changing course. We are not shrinking Dennis. I hope it is just a temporary cut.

Among those to go in the latest moves were Mr. Eric Bottomley, engineering director, and Mr. Harold Enefer, services director.

Dennis's turnover, with some contribution from the Eagle bodybuilding offshoot owned by Hestair, reached £25m last year (£15m from export sales). Profits totalled £2.53m.

Capital development company moving into management

BY NICHOLAS LESLIE

IN A policy shift, Technical Development Capital, the venture capital subsidiary of Industrial and Commercial Finance Corporation, has decided to take part in the management of some of the companies it invests in.

The move is likely to be closely studied by other institutions involved in both this type of financing and in providing development capital for companies' expansion programmes.

TDC's decision is also likely to be studied by Mr. Harold Lever, the Minister who has a special brief for small companies, and by Sir Harold Wilson's committee, which is looking into the workings of financial institutions.

Venture capital for new companies is proving one of the more emotive aspects of the debate on small companies. It has been argued that more new companies would start successfully if institutional venture capitalists provided management back-up for their client companies.

Mr. Ivan Momtchiloff, assistant general manager of Finance for Industry—whose ICFC subsidiary is the parent company to TDC—says the plan is to provide a new service alongside the traditional TDC business. TDC mainly provides equity capital for exploiting technological innovation.

A new company, TDC Developments, is being set up as a subsidiary of TDC to provide the service and Mr. Momtchiloff is joining the TDC Board as an executive director to mastermind the operation.

Management participation will be available to only a limited number of investments where TDC feels it has the relevant expertise. TDC previously argued that its expertise lay in assessing investment opportunities which had a chance of success rather than managing them itself. Now it plans to recruit people with a strong industrial background to provide the management expertise it will offer.

Mr. Momtchiloff says management participation will be offered in the field of micro-processors, both software and systems. TDC has experience in this area. Mr. Ian Cuffe—who took over as manager of TDC earlier this year from Mr. Tony Stevens—was formerly managing director of an electronics company.

TDC has set no target for the number of companies it will provide with management back-up. Nor it is disclosing whether it has any limit as to how much it will assign to the project—the costs will be borne as part of TDC's overheads, with no charge being made for the service.

Special article Page 15

Agreements aimed at cutting disputes on Drax B site

BY JOHN LLOYD

POTENTIALLY significant agreements have been concluded between the Central Electricity Generating Board and the main contractors for the Drax B power station in Yorkshire, Northern Engineering Industries and Babcock and Wilcox, aimed at reducing the number of disputes on site and speeding up the building process.

It has been agreed:

- That the board monitor the building—timed to be completed by 1986—and review progress every six months.
- Where a company is found to be seriously behind schedule over a six-month period, and can show no reason external to its own operations for being so, the board may withold one or more of the regular payments on the contract.
- Though the payment may be witheld for a time, it will, in the end, be paid to the company. The main deterrent is thus to its cash flow, though it could incur extra interest charges by having to borrow while the payments are witheld.
- The main contractors, together with the sub-contractors, have agreed to achieve rough parity on the "second-tier," or bonus payments, which have, in the past, caused dissension between groups of workers employed by different contractors, working on the same site. Payments have at times varied on a scale between one to five.

These agreements are the first fruits of the board's aim, outlined in its corporate plan for this year, to achieve better productivity and efficiency on its power station sites, which have been dogged with delay and sniping between the board and contractors.

The board has reacted with astonishment to the suggestion from some contractors that the period within which Drax should be completed — eight years — is insufficient. The board says that the period is about two years longer than the customary lead time for power stations.

Railways grant

A GRANT of £804,000 is to be paid by the Department of Transport to Hall Aggregates (Thames Valley)—part of the Ready Mixed Concrete group—towards the cost of providing rail freight facilities and wagons for an aggregate distribution centre at Beddington Lane, Croydon.

Newsprint deal on list of restrictive practices

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

A RESTRICTIVE trade practice agreement between Britain's national and provincial newspaper producers, for the purchase of Scandinavian newsprint, was put on the register of restrictive practices yesterday by the Office of Fair Trading.

The agreement was registered in the name of the Newspaper Raw Materials Committee, which was said to regulate negotiations with the collective soling organisations of the Scandinavian newsprint producers.

Under the 1976 Restrictive Trades Practices Act, agreements between companies or trade organisations which restrict competition must be registered. It is then up to the Office of Fair Trading to decide whether to put the agreement before the Restrictive Practices Court to determine whether it is illegal. Until the case comes before the court, the agreement is allowed to operate.

The newspaper producers' agreement replaces an earlier agreement on behalf of the UK newsprint users' committee, which was abandoned in March.

The new committee represents the Newspaper Publishers Association, the Newspaper Society, the Scottish Daily Newspaper Society, the Perodical Publishers' Association, the BBC, D. C. Thompson, and Mirror Group Newspapers.

Also put on the register yesterday were three new restrictive practice agreements in the "black-top" sector of the road building industry—bringing the total registered to 132

City revival aid sought

BY JOHN BRENNAN, PROPERTY CORRESPONDENT

MR. REG FREESON, Minister for Housing and Construction, yesterday called on the financial institutions to give more support for inner city redevelopment.

"The enormous potential for redevelopment will be realised only if government, both central and local, the developers and the financial institutions, learn to understand and respect each other's problems and to work closely together," the Minister told a conference in Bristol *organised by the National* Association of Pensions Funds and the British Property Federation.

To spur this "partnership" between the public and the private sector, particularly in the smaller "possibly unglamorous projects in the recovery areas," the Minister asked the 220 institutional fund managers at the conference: "Could not the financial institutions involved in property investment make a determined effort to devote a reasonable fraction of the funds available to them to invest in small-scale projects and firms?"

Speaking of the problems of *expensive land in the inner* cities, Mr. Freeson confirmed that the Government is studying the possibility of introducing some form of supporting finance for developers.

Building industry orders continue to improve

BY MICHAEL CASSELL, BUILDING CORRESPONDENT

THE RECENT pattern of improvement in building industry orders continued into September, according to the Environment Department.

The department said, yesterday contractors won work valued at £841m during September, against £813m in the previous month and £728m in July.

In the third quarter as a whole, the construction sector's orders showed an 8 per cent increase over the previous three months and were 11 per cent up on the corresponding period in 1977.

In spite of the recent improvement in the value of new contracts being placed, 1978 still seems set to prove another poor year in terms of the actual volume of work carried out, possibly showing a 2 per cent rise over 1977. A similar improvement has been forecast for next year.

The department said new orders in the public housing sector, £103m in September against £105m in the previous month, were 5 per cent down in the third quarter when compared with the previous three months and 4 per cent below the level recorded last year.

In the private housing sector, where contracts during September were valued at £191m, against £186m the month before, new orders in the third quarter were 15 per cent higher than in the April-June period and 21 per cent up on the same period of 1977.

Public works orders, received by contractors in the third quarter, were 18 per cent up on the second quarter and 3 per cent higher than in the July-September period of 1977. Orders for private industrial work were 3 *per cent up on the* preceding quarter and showed a 12 per cent improvement over 1977. Private commercial contracts showed a rise in value of 3 per cent over the second quarter of this year and a climb of 25 per cent over the comparable period in 1977.

Appeal by Racal three delayed

FINANCIAL TIMES REPORTER

THE THREE men foun. guilty in the Racal corruption case in *January this year have had their* appeals postponed until next year.

The appeals of Mr. Frank Nurdin former sales director of Racal BCC, Mr. Geoffrey Wellburn, former managing director of Racal BCC, and Lt. Col. David Randel, *formerly in the Ministry* of Defence, had been expected to be heard on December 18 and 19. It is now expected that the appeals will be heard towards the end of January 1979.

Consumers 'often sold inappropriate contracts'

BY ERIC SHORT

FINANCIAL TIMES World Insurance CONFERENCE

THE INSURANCE industry had not gone very far in recognising and protecting clients' rights, claimed Mr. Christopher Zeally, chairman of the Consumers' Association, at the first day of the Financial Times World Insurance Conference in London.

He claimed that consumers were often ill-informed on insurance. In many cases, brokers and salesmen did not adequately assess the insurance needs of their clients and too frequently *they were sold inappropriate* contracts.

Such situations arose because of inadequate training and also from the methods of paying commission.

He cited the change made in 1976 for commission paid on life assurance contracts which, he claimed, had done little to correct the basic bias towards investment insurance.

His association sought three requirements for consumers in their dealings with the insurance industry.

The first was choice and the second was to be given the facts to help make that choice.

Consumers, he said, were demanding freedom from being misled or deceived by insurance salesmen and by insurance advertisements.

Finally, he sought quick and easy redress in dealing with complaints.

Mr. Zeally called on the insurance industry to improve the situation by giving better training, by a higher standard of advertising and by the establishment of a single body to regulate the practices of the industry.

He thought this body should have outside represention and be able to handle consumers' complaints from an independent standpoint.

Mr. Ron Peet, chairman of the British Insurance Association, and chief executive of Legal and General Assurance, said that *further Government intervention* in the insurance companies' freedom of operation would be damaging to the national interest.

He claimed that the success of the British insurance industry depended on two key freedoms —the freedom of investment and the freedom of consumer choice.

He rejected arguments that the financial institutions represented an investment monopoly that needed to be curtailed by State control over its investment funds.

Such thinking, he claimed, failed to recognise that the market consisted of a large number of institutions, all with separate *portfolios, handled by different* managers with differing clearly-defined objectives.

He also attacked those who put forward the claim that institutional investment should be subject to constraints in the national interest.

The insurance industry had produced overwhelming evidence to show that it had not denied industry with funds required for investment.

There were no grounds for considering that Government decision-making for investment would be more efficient than the operation of the market. If there were investments to be made on purely social grounds the funds should come from general taxation.

Mr. Peet reaffirmed his belief that the insurance industry could *confer wide benefits on the whole economy in an atmosphere* of freedom.

The British insurance industry had proved itself an outstanding success and he called on the Government to build upon this strength.

The passing of the Insurance Brokers' (Registration) Act 1977 had moved the broking industry towards professionalism both in the protection of the consumer end of the insurance market, said Mr. Francis Perkins, chairman of the British Insurance Brokers' Association.

Brokers had now, for the first time, the right to reshape and administer *the insurance broking* industry by self regulation through the use of sanctions and could do this without having the great drawback of statutory control.

He described the various provisions of the Act, how consumers would be protected by ensuring that brokers have a high degree of expertise, had sufficent financial solvency and would abide by a stringently drawn code of conduct.

Brokers would have to take out adequate professional in*demnity insurance and* consumers would be further protected by the establishment of some form of guarantee fund. He discussed how this fund would be financed so that the burden would be fairly distributed among all brokers.

Professor Dr. Hans Ammeter, formerly general manager of Swiss Life Insurance and Pension Company, discussed the practical problems of coping with several different statutory control systems.

He described how insurance had become international business and managers had to be able to cope with varying insur*ance legislation and supervision* in each territory in which they operated.

This supervision started from the moment an insurer sought authorisation to operate in a country. Most countries insisted on a separation of classes of business and the division was not necessarily consistent.

Moscow School icon bought for £2,000

SALEROOM

BY PAMELA JUDGE

CONTINENTAL DEALERS were *the main buyers at Christie's sale* in London yesterday of Russian and Greek icons. But an anonymous bidder gave the highest price—£2,000—for a representation of the Virgin appearing to SS Sergius of Radonezh and Nikon, from the Moscow School in the 17th century. The sale total was £132,210.

Ex Oriente, Lichtenstein, paid £1,400 for a 19th-century Russian icon of St. George slaying the dragon: and the same price was paid by Pahler, Germany, for a calendar icon (19th century), by Schonewolf, Germany, for the Resurrection and the Descent into Hell, by Climent, Spain, for another calendar icon, and by Kadri, Germany, for a similar work.

In the morning at Christie's, South Kensington, silver made £15,492 while oriental works and sword fittings in the afternoon fetched a total of £21,136.

Manuscript and printed music and autograph letters of composers at Sotheby's attracted £20,839, with just over 3 per cent bought in. Schneider gave £2,600 for a 1563 manuscript and £1,200 for some 17th-century English "Ayres and Dialogues." Works by Johann Sebastian Bach went to a *Paris buyer at £1,400, and* Barron, London, paid £680 for a first edition of some songs by Jean-Benjamin de La Borde.

Antiquities and tribal art sold through the same house in the afternoon amounted to £38,089. A Roman marble torso of Aphrodite went for £800. In African art a Sepik River wood meat-hook made £550, and a group of miscellaneous antiquities including Cypriot terra-cotta heads was bought for £500.

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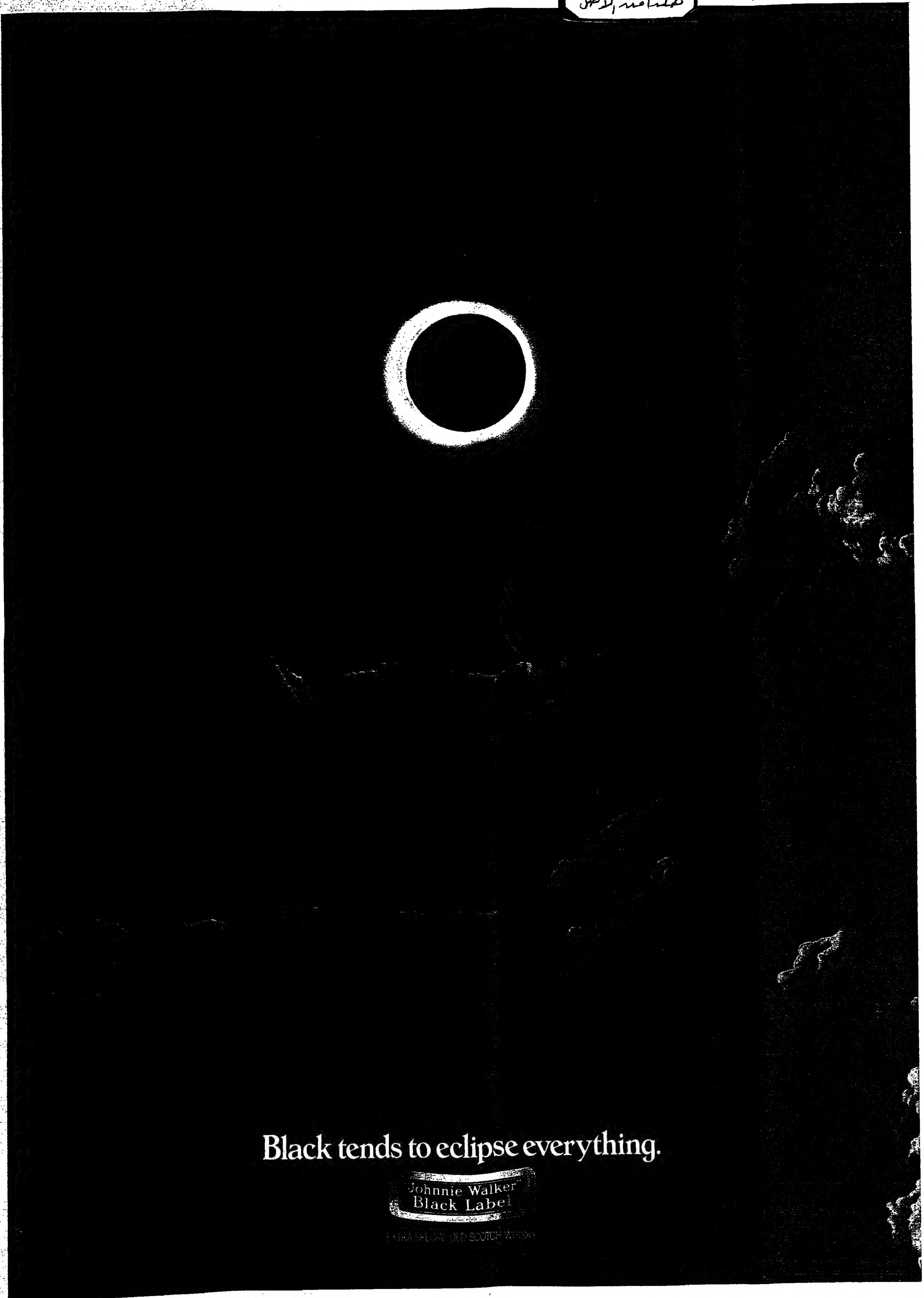


Silicon chip base will be Bristol

BY JOHN LLOYD

INMOS, THE microelectronics company which will produce mass volume silicon chips, will announce its centres for research and development in the U.S. and the UK within the next six weeks. The British centre is now certain to be in Bristol.

The Bristol technical centre will initially employ about 50 engineers and technicians and gradually expand to 400 staff over the next five years. Inmos is backed by the National Enterprise Board.

Its work will largely be concerned with the design of microcomputers—a chip containing the calculating power of a standard computer—while the U.S. operation, which will be twice its size, will be concerned with the design of microprocessors and memories.

Although Bristol is one of the few big UK cities not within a development area—and thus not eligible for industrial assistance—the decision is believed to have been taken because of the need to attract scarce professional staff to an attractive environment.

The centres where the chips will be manufactured will probably be announced next spring. There will be four production plants, each employing 1,000 people.

No decisions have been taken on the location of the plants, which need not be near the technical centre. It is also possible that the production plants may be split up.

Inmos is determined not to allow the Government to select the location of its plants purely on employment or social criteria, though it will seek to take advantage of development grants where it regards them as being tied to areas which are attractive on other grounds.

Rio Tinto-Zinc accused of racial discrimination

BY PAUL CHEESERIGHT

RIO TINTO-ZINC, the London mining group, was yesterday at the centre of more controversy over the treatment of racial minorities.

It became the target of a campaign for Aboriginal rights launched by War on Want, the charity group, and an association called Colonialism and Indigenous Minorities Research and Action.

The campaign is led by three Aboriginal leaders from Queensland, Australia, where the RTZ group, in a joint venture with Kaiser Aluminium—Comalco—is engaged in extensive bauxite and alumina production.

The Aboriginal argument is that the group has not paid sufficient attention to Aboriginal rights or sensibilities either in the use of land or in the treatment of those who traditionally own it.

Mr. Mick Miller, chairman of the North Queensland Land Council, which is seeking recognition of Aboriginal land rights, complained yesterday that Aboriginals were losing land reserves to mining companies.

The only way Mr. Malcolm Fraser's Government in Australia would change its mind about discrimination against Aboriginals would be through international pressure, he said.

Mr. Miller and his delegation led a demonstration outside the London headquarters of RTZ and submitted a list of demands.

These expressed resentment at Aboriginals being confined to a compound of 308 acres, while the group made what was called "a fortune from their tribal lands without any payments to them." and called for "just compensation."

The delegation also called for the restoration of mined areas with native trees so animals could return.

Criticisms

The launching of this campaign by the UK organisations and the Aboriginal leaders continues a dispute with RTZ which emerged sharply and briefly at the RTZ annual meeting in London last May.

Sir Mark Turner, the chairman, angered by criticisms from War on Want about group treatment of Aboriginals threatened legal action.

The threat was never carried out but the group's solicitors wrote to War on Want, warning that the group was not prepared to accept further "scurrility."

Comalco has consistently denied any maltreatment of Aboriginals in Queensland and its own publications speak of pursuing a policy "which has Aboriginal advancement as its central aim."

Yesterday RTZ did not have senior executives available to meet the Aboriginal leaders from Queensland but said that it would be prepared to meet them later.

Mr. Miller and his colleagues last week saw Mr. Anthony Wedgwood Benn, Secretary for Energy, and talked about Aboriginal problems in general.

According to Mr. Miller's account, Mr. Benn said he sympathised with the account of Aboriginal problems but that the UK Government could not do anything about preventing the production of uranium from the Northern Territory.

Big five hold half home loan cash

By Michael Cassell, Building Correspondent

MORE THAN half of the total assets of the building society movement — nearly £40bn — are in the hands of just five societies, according to figures published yesterday.

The Building Societies Association said in its latest Bulletin that by the end of last year the big five societies — the Halifax, Abbey National, Nationwide, Leeds Permanent and Woolwich Equitable — controlled 53.6 per cent of the movement's assets.

Latest calculations showed that the top 20 societies accounted for more than 83 per cent of total assets. The degree of concentration among UK societies was much lower than in the United States, although the trend towards increasing concentration appeared to be the same.

Decline

In the U.S., the largest five savings and loans associations (the equivalent of building societies) accounted for only a little over 7 per cent of the movement's assets.

At the end of last year the largest U.S. savings and loan association, in Los Angeles, had fewer total assets than either of the two largest UK building societies. However, 16 associations each had assets in excess of £1bn against only eight in the UK.

The association also highlights the continuing sharp decline in the number of UK building societies. Of the 786 societies in existence at the end of 1952, 419 had been absorbed by other societies at the end of last year. A further 48 had united to form 23 new societies.

At the end of last year, there were 339 societies compared with 890 in 1945 and 2,286 in 1900.

This year was likely to be a record year for building society lending, with about 800,000 loans totalling £8.73bn being made to home buyers. This compared with last year's record of 737,000 loans involving £6.88bn.

Since 1969, the proportion of first-time buyers purchasing terraced houses and flats has risen from 32 per cent to 51 per cent, reflecting "the increasing demand for owner occupation from lower income groups, a high proportion of whom are able to afford only modest homes, the majority of which are flats and terraced houses."

Chemical trade study group's plan welcomed by unions

BY SUE CAMERON

A REPORT calling for unions and management in the chemical industry to set up local planning groups to study future investment, productivity and employment, was hailed by trade unionists yesterday as "an important step towards industrial democracy."

The report—Chemicals: A Dialogue for Change—has been written by the Chemicals Economic Development Committee, set up by the Government as part of its tripartite industrial strategy. The report recommends the setting up of joint industrial development committees at company and local area level to consider investment plans and marketing and growth aims, assess performance, exchange information and study chemical education and training needs.

Mr. Roger Lyons, national chemical officer for the Association of Scientific, Technical and Managerial Staffs, said that employees in the chemical industry could "not be expected to help improve competitiveness unless investment and manpower planning are done on a co-determination basis." He said this was why the report's recommendations marked such an important step forward.

Mr. David Warburton, national chemical officer of the General and Municipal Workers' Union, warned that there would be arguments over exactly how the industry could improve its competitiveness, but it was still significant that management and union representatives had decided to tackle the question together.

Labour force

One of the main arguments in many of the planning groups is likely to concern productivity and manning levels. The report says that, between 1963 and 1971, the output per employee in the UK chemical industry grew by 59 per cent, while in Germany during the same period, it went up by 71 per cent. Between 1971 and 1975 output per head increased by 120 per cent in Germany but only by 114 per cent in the UK.

"There is certainly evidence to support the contention that the UK chemical industry has scope for improvements in labour productivity," the report says. One area for further examination would be "ways of handling initial changes arising from the more effective use of labour in the industry." It says that, in the longer term, the size of the UK chemicals labour force should increase, but unions and management seem to agree that there is a danger of redundancies in the shorter term.

Mr. Harold Kimberley of Albright and Wilson, the chairman of the manpower sub-committee of the Chemicals Economic Development Committee, said improved productivity did not necessarily mean that individuals had to work harder. The streamlining of company administration, improved training and energy savings, could also lead to higher productivity and these were all possibilities that might be considered by the new committees. But he added that there was "no real answer" to the question of what might happen if numbers had to be reduced as a result of real improvements in efficiency.

Mr. Warburton agreed that "the old idea of improving productivity was to cut numbers while maintaining output," but he stressed that the trade unions would not be going into the development committee scheme "on the basis that we go around increasing efficiency by axing people."

Commission hunting claim revised

BY EAMONN FINGLETON

NEW ALLEGATIONS of commission-hunting were made against insurance brokers yesterday after figures were showing that the number of unit trust investors cashing in their holdings is continuing at high levels.

Units repurchased by the industry (that is, units cashed in by investors) totalled £30.3m last month. This is down £6.2m from September's record £36.5m, but is still considered far too high by industry experts, who point out that it is the third worst figure on record.

The industry's sales to investors totalled £ —the same as in September.

The figures sparked off a new row about the extent to which unit trust investors are being urged to switch holdings by insurance brokers keen to generate commission.

Mr. Ken Plummer, manager of the unit trust arm of Lloyds Bank, said: "We suspect that some of the selling lately has been prompted by intermediaries who want to switch the money to another unit trust.

"We first began to notice a high level of repurchases in the spring and this coincided with a general increase in commissions paid by the industry."

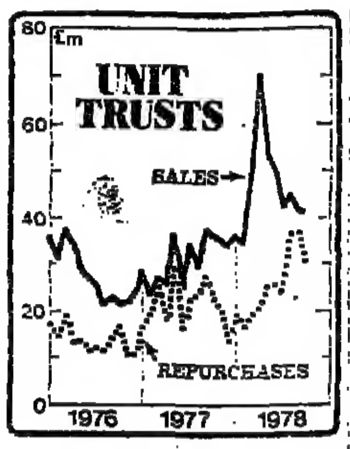
Lloyd's unit trusts are almost unique in continuing to pay only 1½ per cent commission to intermediaries. Most other trusts have now raised their total commission to 3 per cent, by paying an extra "marketing allowance" to most intermediaries.

Mr. Plummer added: "Much of the selling has been out of general trusts and we suspect that the money is going into Far East and other specialist trusts."

Suspicions that the industry's new marketing allowance of 1½ per cent was encouraging brokers to recommend undue switching were first aroused by the September figures.

The industry received a further blow yesterday with news that net investment of new cash in unit-linked insurance arrangements fell by more than £6m to £19.5m in the three months to September.

Mr. Edgar Palamountain, chairman of the Unit Trust Association, said the figure reflected a lowed level of inflow into single premium contracts.



Doctor attacks Health Service bureaucracy

By Paul Taylor

ANOTHER attack on the organisation of the National Health Service was made yesterday, in the British Medical Association's magazine.

Dr. J. Stuart Horner, chairman of the Association's Central Committee for Community Medicine, claimed that there was "an unacceptable degree of centralised bureaucracy" in the Health Service. His comments closely follow those made two weeks ago by Mr. Patrick Jenkin, Opposition spokesman for the Social Services.

Dr. Horner said there was a lack of co-ordination between Government departments to the extent that the activities of some departments "actually work in opposition to the declared objectives of the Health Service."

He called for the delegation of effective power and responsibility to local units as the first step to curing the service's ills.

More attention should be paid to health education in an effort to reduce the pressure on the Health Service and encourage people to become more self-reliant.

Two companies wound up

TWO Fleet Street Press and public relations companies—Gavin Starey Industrial Communications and Gavin Starey Industrial Liaison—were compulsorily wound up in the High Court yesterday.

The petitions were based on a £9,422 debt to the Customs and Excise. The case against Gavin Starey Industrial Liaison was supported by the Inland Revenue, claiming £24,453.

Canadian envoy for Midlands

MR. PAUL MARTIN, the High Commissioner for Canada, will pay official visits today and tomorrow to Birmingham and Worcester. The aim of the visits is to emphasise the significant Canadian interests in the region and also the considerable amount of import and export trade between Canada and the area.

Industrial Society expands

BY JAMES McDONALD

THE INDUSTRIAL SOCIETY, which aims to promote work involvement in order to increase effectiveness and satisfaction now has 15,000 member organisations.

These include an increasing number of local authorities which are some of the biggest employers in the UK, says the society's annual report.

The number of trade unions involved in the society's work continues to increase and the report says: "The level of activity in monetary terms is shown by the society earning £2.2m (last year) for the work it does."

The simple methods of leadership training which help managers and supervisors to obtain the co-operation of their people more effectively, are more and more widely used.

"The very basis of any form of participation and involvement is that people should know what is happening and why. Organisations are increasingly using the simple concept of consultative committees to discuss how all employees can be more effective."

The society helped Ford Motor Company to improve its efficiency 10 years ago. "Now we are involved in another national organisation of similar size."

Mr. John Garnett, director of the society, said yesterday the organisation was British Airways' 24,000-strong engineering staff.

"Throughout the year the society has put over to Government and to all involved in industry that democracy has two parts, one concerned with representation, about which so many people talk so much, the other concerned with execution, where we need to organise work in small teams with management appointed leaders."

Plea for stronger arts lobby

BY ANTONY THORNCROFT

A PLEA for a stronger popular lobby on behalf of the arts, perhaps built up round middle-class housewives who do such an effective job in the U.S. was made by Mr. Roy Shaw, secretary general of the Arts Council, when presenting the annual report in London yesterday.

He envisaged something on the lines of Concerned Citizens for the Arts, a body in New York which was able to bombard local politicians with 15,000 letters and telegrams when cuts in the art grant were planned in the state. The cuts were rescinded.

Mr. Shaw, and Mr. Kenneth Robinson, chairman of the Arts Council, both discerned a growing appreciation among politicians of the electoral importance of supporting the arts.

The Arts Council grant has been increased from £41,725,000 in the year under review to £49m this year, and Mr. Robinson was hopeful that a generous increase for next year would be announced before Christmas. "If we got £70m, it would transform the picture," he said.

Mr. Kenneth Robinson
"Hopeful of a generous increase"

Such a large increase is unlikely, but in the arts, every extra £1m can be very important in the Arts Council in satisfying the demands of its 1,200 clients.

The main events of last year for the council were its contribution to keeping open the big provincial theatres as suitable homes for touring companies, and the establishment of English National Opera North, which opened last week.

Although the council alone is financing the opera company in its first seven months, Mr. Robinson was confident that local authorities in the area would contribute before the summer, thus ensuring the survival of the project.

As always, the council was worried about the size of its grant. "For the past two or three years there has been, at best, a standstill in the amount of public funding for the arts, which in fact amounts to a cut," says the report.

In particular, money for housing the arts had been cut to the bone, which would mean that some local arts centres would have to make do without heating during the winter.

Urban support methods 'too complicated'

By Michael Dixon, Education Correspondent

THE GOVERNMENT is defeating its own policy of reviving inner city areas because of the over-complicated methods Whitehall uses to distribute £7.5bn of central funds to local authorities, according to a report published yesterday.

A study by Mr. Tony Travers, of North East London Polytechnic, indicates that, between 1974-75 and 1977-78, the metropolitan districts of England and outer London boroughs have done better out of the central funds distributed in the form of rate support grant, than have inner London boroughs and needy urban areas such as Liverpool and Newcastle.

Outer London, for example, has enjoyed relatively slow rises in rates and high increases in local government spending, whereas inner London has suffered big rate increases coupled with only slow increases in expenditure, Mr. Travers says.

Compared with the benefits received by suburban areas, "shire" counties have also been treated unfairly by the distribution.

He says that the system of allocating the rate support grant—based on the statistical technique of multiple regression analysis—is too complex.

"The complexity obscures what is actually happening, and makes it impossible for politicians in central or local government to control the action. To be accountable, the system must be 'comprehensible.'"

Underground silica dust risk

BY LYNTON McLAIN

LONDON TRANSPORT research has shown that levels of airborne silica dust on some Underground lines exceeds safety limits recommended by Government's Health and Safety Executive.

Silica dust is created by the wearing of brake linings, and up to three times the safety levels has been detected at tunnel exits on station approaches.

London Transport said yesterday that its staff on the most affected lines, including the Bakerloo, worked less than eight hours exposed to the silica dust.

The safety limit, expressed as the threshold limit value, was determined by the safe average level that would occur to a worker exposed for eight hours a day, five days a week for 40 years. Few passengers would ever be exposed to levels beyond the threshold limit.

The discovery of levels of silica dust at levels higher than the threshold limit was made by London Transport in tests over a year ago.

Trdes union officials were told and Ferodo, one of the makers of brake blocks containing silica in the form of quartz, was asked to investigate new forms of blocks.

The aim was to reduce the silica content in the blocks. Ferodo is still working on the problem.

Business loans problem for small companies

BY JAMES McDONALD

THE NUMBER of small concerns which fail to obtain bank loans for business expansion because they cannot provide security could be as high as 40 per cent according to a poll carried out among 2,000 businesses by The Forum of Private Business.

It showed two-thirds of the businesses responding had sought bank loans for operational development and 40 per cent had been unsuccessful because of their inability to provide acceptable collateral.

"Yet it is this sector from which any real increases in job creation will come," said Mr. Stan Mendham, the Forum's chief executive.

HOME NEWS

Brokers issue warning on analysts' pessimism

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

A WARNING that some City analysts may have become too pessimistic about the outlook for company profits and liquidity has come from stockbrokers Phillips and Drew.

An article in the November issue of the broker's market review says that the financial deficit of the company sector would have to be much larger than current forecasts are suggesting before there was a danger of serious liquidity next year.

Mr. Keith Percy, a partner in the firm, says that profit margins, as measured by the relationship between prices and costs, appear to be about the same as last year.

"Suggestions that the profit margins of manufacturing industry in the home market are already being squeezed must therefore be treated with some caution."

The author also says that the fall in profits between the first and second quarters of this year shown by official figures must be treated with caution.

Assumption

He says that industrial profits will rise strongly in the second half of this year for a 10 per cent increase over 1978 as a whole. On the assumption that earnings rise by slightly less than 14 per cent in the current round, a 15 per cent rise in industrial profits is forecast for 1979.

The financial deficit of the company sector is projected to rise to about £3bn next year from about £2bn in both 1977 and 1978—as a result of a faster rate of inflation and a consequent rise in stock appreciation.

Mr. Percy does not think this should have serious repercussions on company balance sheets.

Although short-term borrowings could rise by around £3½bn next year this might only lead to an increase in gearing — total borrowings less cash as a percentage of capital employed—of 2 to 3 points up to between 20 and 21 per cent.

He says this rate is still low by standards of earlier years. In 1974, for example, gearing rose from 22 to 26 per cent during the year.

Glasgow airport expansion urged

By Michael Donne, Aerospace Correspondent

GLASGOW Airport should be expanded to enable it to cope with transatlantic flights, instead of only short-haul UK and European flights as at present, it was suggested by the Scottish Tourist Board yesterday.

Mr. Robin MacLellan, chairman, said at a meeting in Glasgow organised by the British Airports Authority to discuss the future of the three "Lowland Airports" of Glasgow, Edinburgh and Prestwick, that only 15 per cent of the 1m overseas visitors who came to Scotland each year landed in Scotland directly by air. The others came into Scotland from other parts of the UK.

"Potential overseas visitors to Scotland find it difficult to get here directly, or expensive to come here indirectly via London," he said.

"In the long-term, there is a potential market for direct air travel to Scotland."

The meeting was called by the British Airports Authority to debate three options for the long-term development of the airports. One is to maintain the present position, with Prestwick handling all transatlantic traffic, and Glasgow and Edinburgh handling short-haul traffic.

The second is to shut Prestwick and transfer all its transatlantic scheduled and charter traffic to Glasgow and Edinburgh. The third option is to keep scheduled transatlantic traffic at Prestwick, but distribute its extensive long-haul charter traffic to Edinburgh and Glasgow.

The least cost—about £12.5m—would be involved in maintaining the present position. This money would be needed to improve facilities to keep pace with traffic growth.

The most expensive option would be to shut Prestwick, involving the loss of about 3,500 jobs, with about £50m. being spent at Glasgow and Edinburgh Airports to bring them up to the standards required for transatlantic operations.

Life assurance may show record year

BY ERIC SHORT

A SUCCESSFUL third quarter for new individual life business has enabled life companies to maintain their growth rate of the first half of this year, according to figures yesterday from the three life company associations — the Life Offices' Association, the Associated Scottish Life Offices, and the Industrial Life Offices Association. At this rate of growth, record figures for both annual and single premium business for 1978 seems a possibility.

New regular premiums, on a yearly basis, were 27.5 per cent higher at £130m, against £102m for the third quarter of 1977. This brings total annual premium business for the first nine months of 1978 to £391m, against £307m for the corresponding period last year—a rise of 27 per cent.

This growth contrasts sharply with the rather sluggish situation in 1977, when annual premiums on new individual life business were only 9 per cent higher. This, however, followed several successive years when growth had been well ahead of inflation.

Sales of personal pension plans to the self-employed and other in non-pensionable employment remain buoyant, with new annual premiums 53 per cent higher in the third quarter at £19m.

So far this year, new annual premiums on this business remain strong at £65m, against £43m — an increase of 51 per cent. Regular premium business for assurances and other annuities was 24 per cent higher on the third quarter at £111m, resulting in sales over the nine months at £326m.

Growth in single premium business slowed down considerably in the third quarter—advancing by 7.7 per cent to £140m, against £130m last year. This has resulted in single premium business over the nine months, amounting to £417m—still 18.5 per cent above the level of 1977.

Linked life assurance business continues to move towards a record year, with buoyant third quarter figures. New annual premiums were 42.6 per cent higher at £21.1m and single premiums 22.6 per cent higher at £68.8m. So far this year annual premiums amount to £63m—37 per cent above 1977—and single premiums £223m, 40 per cent better than in 1977.

Scandinavia air talks look set for stalemate

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE ANGLO-SCANDINAVIAN air talks in London have made some progress over the past 10 days, but the meeting is expected to end today with no new agreement to replace the pact which expires at the end of this year.

The two sides remain firmly committed to their opposing views. Britain wants to see many more air services to and from Scandinavia, including several by independent airlines in addition to British Airways, with much cheaper fares.

The Scandinavians, however, want to keep the independent airlines out, and to restrict services to Scandinavian Airlines System (SAS) and British Airways as the two flag carriers of the countries concerned.

The number of services is the key issue in the talks, but the question of moving SAS flights from Heathrow to Gatwick has also been raised. SAS, which is the joint airline of Norway, Sweden and Denmark, had suggested moving all its flights to Gatwick, in a bid to get its case for limiting air services accepted.

Britain has declined this offer, mainly because it claims that this would cause air traffic control complications. The air traffic between Scandinavia and Gatwick would cut across the Heathrow approach and departure paths, causing hazards and congestion.

This has surprised the Scandinavians, because many of the additional flights which Britain wants would be by British independent airlines to and from Gatwick. When those flights were first licensed by the Civil Aviation Authority (which also runs the air traffic control services in the UK), the possibility of air traffic control hazards was not raised.

Britain is understood to be prepared to consider a limited transfer of SAS flights, but not at the expense of restricting flights by British airlines.

Barrow put on gas short list

BARROW In Furness is being considered as a possible site for the terminal of the Morecambe gas field, 25 miles off Blackpool, in the Irish Sea.

Mr. Windsor Biggs, Cumbria County Council's planning officer, told the county's development control committee yesterday that although Barrow was not on the original list of four, with the Lune Estuary, Pilling, the Ribble Estuary and the Dee, it was now on the short list.

Manchester station site development a step nearer

THE FUTURE of Manchester's controversial 26-acre Central Station site moved a step nearer settlement yesterday, when Greater Manchester Policy Committee announced the completion of interim arrangements for the long lease of the site to the county council, and proposed a formula by which the county could receive the freehold. These two moves will help provide a basis for funding the development of the site.

A crucial issue is the condition of the former Central Station train hall, and structural surveys have been authorised to establish whether it can be retained in future plans.

Mr. Tony Harrison, chief executive of the Greater Manchester Council, said yesterday: "The redevelopment of Central Station is of major significance to the prosperity of the City of Manchester and the whole conurbation.

Standards in royal parks cafes 'need improvement'

FINANCIAL TIMES REPORTER

PRICES ARE too high in the royal park catering establishments of Britain — and the range of food is too wide. Overall, caterers have not made a sufficiently detailed study of what customers want.

These are the findings of five judges who ate in 17 restaurants and cafes in the royal parks in search of the best. Only one, the Serpentine Buffet in Hyde Park, run by Trust Houses Forte, won an award. There was no restaurant award even though Pembroke Lodge in Richmond Park, which offers a three-course lunch for £1.80, was regarded as "exceptional value for money." it was given only a commended rating.

This is the second year the competition has been run by Lady Birk, Minister responsible for the parks.

Lady Birk said yesterday that standards had risen slightly since last year, though most of the establishments "had a long way to go" to fulfil the requirements of value for money, quality and freshness of food, good service and cleanliness and menus meeting customers' needs.

The Department of the Environment, which grants five-year concessions to caterers to run their businesses in the royal parks, is sending confidential reports prepared by the judges to each caterer.

BOND DRAWING

LABOUR NEWS

S. Times 'paying M.Mouse'

Financial Times Reporter

TIMES Newspapers is paying many more people to produce The Sunday Times than actually turn up for work, a BBC-TV Panorama programme claimed last night.

The programme suggested that widespread corruption had grown out of the system by which trade unions allocate casual workers to different newspaper shifts.

It said that many "call slips," documents issued by unions which entitle a man to collect pay, were made out with fictitious names.

The reporter, Michael Cockerell, said: "Some men apparently use blatantly false names like Mr. M. Mouse of Sunset Boulevard and Sir Gordon Richards of Tattenham Corner." The money in such pay packets was shared out between people who were present.

Asked about these practices, Mr. "Duke" Hussey, managing director of Times Newspapers, said on the programme: "It is always very difficult to work out how many people you have in a publishing house at the same time. You are not really in a position to go round and count them."

When asked if he ever had tried to count the number of people at work, Mr. Hussey replied: "I once did try and . . . I fell far short of the required number, but I was never given adequate information of why."

Mr. Hussey added that the present casual system of print room labour gave "a great deal of latitude to the shop floor trade union officials" and in some cases, he said, this latitude had been abused.

The allegation was strongly denied by Mr. Ginger Wilson, deputy father (shop stewards) of the Sunday Times chapel (office branch) of Natsopa (National Society of Operative Printers and Media Personnel).

He said on the programme: "I would take that to court. I would fight that in law, if ever they made that accusation about me, which in turn reflects on my union. Our casual system in Natsopa is the fairest in the industry."

Mr. Wilson denied that any printers collected money not addressed to them and challenged the management to prove otherwise.

During the programme Mr. Harold Evans, the newspaper's editor, was asked what he felt about the continued labour problems and the prospect that the papers would be shut down at the end of this month because of the company's insistence that its industrial difficulties must stop by agreement with the unions.

He replied: "I feel a combination of anger and despair."

ACAS check on council move

THE Advisory, Conciliation and Arbitration Service has been asked to inquire and report into whether Mr. Albert Booth, Employment Secretary, should make an order converting the Licensed Residential Establishment and Licensed Restaurant Wages Coucil into a statutory joint industrial council.

An application for conversion was submitted by the trade unions. All but one of the employers' associations have submitted objections to the proposal.

Shell manual workers challenge 5% guideline

BY PHILIP BASSETT AND NICK GARNETT

ANOTHER MAJOR challenge to the Government's pay guidelines was posed yesterday when union negotiators representing manual workers at Shell refineries tabled a claim far in excess of 5 per cent.

The claim, on behalf of more than 4,000 workers at the company's four principal refineries and its chemical complex at Carrington, Manchester, includes a demand for 15 per cent more on basic pay.

It also involves consolidation of all outstanding supplements, substantial improvements in shift pay including an immediate £150 addition to shift allowances and a commitment to a 35-hour week.

Mr. John Miller, national chemical industry secretary for the Transport and General Workers Union which represents the refinery workers, said the amount of the money in the claim would be reduced if the company made positive steps to reduce the working week.

However, the union would not continue to negotiate if Shell adhered to the 5 per cent limit.

The company will respond to the claim early next month and the group is due to settle in January.

The Transport Workers said yesterday that an overtime ban by manual workers had been applied throughout Michelin UK in protest at a 9 per cent offer, linked to higher productivity and improved performance.

Shop stewards representing the 8,000 workers are due to meet early next month to consider further action if the company does not substantially improve its proposals.

Encourage

At Kodak yesterday, a pay settlement believed to be within Government guidelines was reached with the majority of its 8,000 manual workers.

The deal, which gives pay and productivity increases of up to 13 per cent, will encourage companies to believe that they can settle within the guidelines in this pay round provided rises in basic pay are coupled with substantial productivity increases.

The 4,300 workers at Harrow, Kodak's largest plant, followed the recommendation of their shop stewards to accept the offer, which gives a 5 per cent pay rise and up to 8 per cent from a productivity scheme based on meeting company performance targets and on individual attendances.

Only the 450 workers at the Kirkby, Merseyside, plant who voted against the package yesterday, are standing out against the deal's overall acceptance.

The majority of the Kodak work force were dissatisfied with the productivity element of the deal at mass meetings two weeks ago, but in negotiations some of the conditions attached to the attendance plan were altered enough for the union side to recommend acceptance.

Workers will now lose a week's earnings from the productivity scheme for certified and uncertified sickness absence and for unauthorised absence.

For other types of absence they will lose part of the possible earnings on a *pro rata* basis. Holidays will not affect the productivity earnings.

Post Office monopoly defended

BY JOHN LLOYD

A SHARP counterattack against moves to end the Post Office monopoly for the supply of subscriber equipment, such as telephones and telex machines, has been made by the Post Office Engineering Union.

Mr. Brian Stanley, the union's general secretary, writes in its journal: "There can be little doubt that there will be increasing pressure by private manufacturers who will seek to move in and cream off lucrative areas of telecommunications work."

The union is particularly annoyed by the initiative recently taken by Mr. Frank Chapple, general secretary of the Electrical, Electronic and Plumbing Trade Union, in announcing his support for the anti-monopoly lobby.

Mr. Chapple believes that if private manufacturers were given access to the market now controlled by the Post Office, demand would be stimulated and jobs for his members saved or created.

Mr. Stanley believes the direct opposite. "What this demand of Frank Chapple's would do would be to take money out of the telecommunications business, money which is at the moment ploughed right back into the business.

"That would mean a decline in the service itself, or the customer will have to find more money to maintain the quality of the service, and to finance its expansion.

"I find it surprising that Mr. Chapple should support a Conservative demand. The trade unions will not support the return of a part of the public sector into the private sector."

An editorial in the journal comments that when the manufacturers' appetite has been whetted by supplying equipment to subscribers, they would demand further de-nationalisation.

Pay rule strike at GKN given little support

BY NICK GARNETT, LABOUR STAFF

THE unofficial one-day strike, called yesterday throughout the Guest Keen and Nettlefold group in opposition to the 5 per cent guideline, appears to have attracted little support.

The group said that only about 3,400 of its 73,000 manual and white-collar workers in the UK *had responded to the call, from* the unofficial GKN workers association.

The association claims to represent white and blue-collar workers in all the group's companies but does not have official union recognition nor negotiating rights.

The group said production at four of its 200-plus plants was halted becauseof the strike. Three of these companies, Ambrose Shardlow, Laycock Engineering and Kector, are in the Sheffield area where the association appears to have its strongest influence.

A number of the group's companies, which have widely different settlement dates, have been affected by industrial action over pay this year. Some of the disputes have been solved by the introduction of productivity deals.

Four hundred manual workers at GKN's Newton Transmissions plant at Newton Abbot, Devon, went on strike last week in pursuit of a claim above 5 per cent.

Cowley pay talks resume on Friday

MORE TALKS on the pay claim lodged on behalf of 6,200 manual workers at the Austin-Morris car assembly plant at Cowley are to be held on Friday.

Mr. David Buckle, Oxford district secretary for the Transport and General Workers' Union, said that the unions were entitled to expect their claims to be taken seriously.

He expected management to negotiatt in the responsible way it had in the past. Local negotiations meant local setlements, he added.

Shop stewards are committed to calling another mass meeting of the worke.s This is not expected until the outcome of the next round of pay talks is known.

GUIDELINE DEAL

More than 4,000 production workers employed by Scottish and Newcastle Breweries yesterday accepted a pay offer within Government guidelines. A secret ballot produced a small majority in favour.

NUPE action hits schools

HUNDREDS of school children in Suffolk were affected yesterday by industrial action by 300 members of the National Union of Public Employees.

Union members including caretakers at 10 schools took work-to-rule measures intended to draw attention to the plight of lower-paid workers.

Maintenance of swimming pools was affected and some pupils had to wait up to an hour for school meals.

An overtime ban and work-to-rule by cleaning staff and porters at hospitals in West Suffolf is continuing. Evening classes at some schools in the county are also affected.

Setback for engineering workers' merger

By Alan Pike, Labour Correspondent

PLANS BY leaders of the Amalgamated Union of Engineering Workers to turn its sectional structure into one body have suffered a serious setback from the constructional section.

The section's executive has rejected a proposal to use the Trade Union Amalgamations Act to create a single fully-merged union out of the existing engineering, constructional and foundry sections.

Construction section leaders say they would agree to this only if the fourth AUEW section—TASS, which represents white-collar staff—were amalgamated in the same way.

Leaders of the engineering section, which represents more than 1,115,000 of the AUEW's total 1,381,000 membership, envisaged using the Act as a way of breaking the long amalgamation stalemate. This would involve the smaller sections in transferring their members to the engineering section with ballots of members required only in the minority groups.

Delegates to last year's TASS conference decided that they would be willing to complete the amalgamation in this way only if the new union adopted a rule prohibiting further mergers through the Act.

This reflects fears among the Left-wing TASS leadership that the constitution of the AUEW might be changed eventually to accommodate a merger with the Electrical and Plumbing Trades Union.

Mr. John Baldwin, constructional section general secretary, said yesterday that his executive had decided after taking legal advice that it would be wrong to go ahead with a transfer of members under the Act unless it included TASS, which was a partner in the original amalgamation.

The decision will please TASS officials. There has been a recent loss of enthusiasm among some Right-wing leaders of the engineering section for retaining TASS in the amalgamation and a full merger of the other three sections would isolate it.

Mr. Baldwin said his executive believed TASS should relax its position on a merger under the Act so that all four sections could advance the amalgamation together.

Newspapers threatened in provinces

By Our Labour Staff

PROVINCIAL NEWSPAPERS are threatened with mounting disruption later tis week when plans are expected to be formulated for co-ordinating industrial action by their own journalists and those employed by the Press Association.

Provincial journalists working for morning, evening and weekly papers throughout the country started taking a variety of sanctions yesterday in support of a £20 pay claim covering about 9,000 editorial employees.

The National Union of Journalists will hold an emergency committee meeting later this week to consider a request by journalists in the Press Association—also a Newspaper Society member—to begin lightning strikes in support of their claim for pay increases to bring them up to Fleet Street levels.

APPOINTMENTS

Guinness Peat Aviation head

Mr. Geoffrey E. Knight has been appointed chairman of GUINNESS PEAT AVIATION, the Shannon-based aircraft sales, leasing and finance company jointly owned by Aer Lingus and the Guinness Peat Group. Mr. Knight, who is executive vice-chairman of Fenchurch Insurance Holdings, is a main board director of the Guinness Peat Group. He was formerly a director and vice-chairman of the British Aircraft Corporation.

*

Mr. R. G. Smethurst is to be a part-time member of the MONOPOLIES AND MERGERS COMMISSION from December 1, 1978, to June 30, 1981. He is director of the Department for External Studies, University of Oxford, and a fellow of Worcester College, Oxford, and was an economic adviser to the Treasury, 1969-71.

*

Rear Admiral Michael L. Stacey is to be director of the new MARINE POLLUTION CONTROL UNIT in the Marine Division of the Department of Trade. Admiral Stacey, who is at present serving as Flag Officer and Port Admiral, Gibraltar, will retire from the Royal Navy and take up his new appointment on a full time basis towards the end of January.

*

BREMAR HOLDINGS has made the following changes in management. Mr. Erwin Brecher continues as chairman and managing director and Mr. J. A. Pereira becomes deputy chairman and remains joint managing director. Mr. Geoffrey M. Simmonds has also been appointed joint managing director with special responsibility for group development and Mr. R. S. Minton, formerly with Wells Fargo Bank and executive vice-president of Bremar Holdings Corporation, New York, now joins the main Board. Mr. Brian R. Bell has been made general manager, and Mr. Brian S. Johnson, business development manager for Bremar's UK commercial banking.

*

Mr. Dale Ratliff, executive vice president of Revlon since 1973, has been appointed world president and chief executive officer of MAX FACTOR and will

Mr. J. Quick

take up his new post in January. As previously announced by the company, Mr. Samuel Kalish is to step down as president and chief executive. The parent concern is Norton Simon Inc.

*

Mr. J. R. W. Castle has been appointed deputy managing director of LOPEX. He joined the Board as group financial director in 1973.

Mr. J. Quick, regional managing director, has been appointed to the main board of H. AND J. QUICK GROUP. Mr. M. Davis, managing director of Quicks of Chester has joined the main board of H. AND J. QUICK LIMITED.

*

Mr. Keith Mitchell has been appointed chief executive of the INSTITUTE OF EXPORT.

*

Mr. John Bathgate has been appointed chief design engineer of the WELLMAN BIBBY COMPANY.

*

Mr. S. F. Moore Metro-Flex (UK), has succeeded Mr. J. Lowe, IMI Valves International, as chairman of the BRITISH VALVE MANUFACTURERS' ASSOCIATION. Mr. D. N. Hookway, Saunders Valve, has been appointed vice-chairman of the Association.

*

Mr. Lindsay Pitkethly has been appointed to the board of MYDDLETON HOTELS with responsibility for sales and marketing.

*

Mr. A. R. L'Angellier has been appointed to the board of BUXTON'S AND MMB from December 1. The company is a member of the Astley and Pearce Group.

*

Mr. Brian Redhead, journalist and broadcaster, is to join the board of MOBILE TRAINING AND EXHIBITIONS.

*

Mr. Chris Kraushar has been appointed director associate and licensee operations of the PERKINS ENGINES GROUP.

*

Mr. Andrew Graham has been appointed a part-time member of the BRITISH TRANSPORT DOCKS BOARD for three years from April 1, 1979. He is a fellow and tutor in economics at Balliol College, Oxford.

'House prices to keep rising'

HOUSE PRICES will continue to rise despite the 2 per cent rise in mortgage rates, the Royal Institute of Chartered Surveyors claims today.

Mr. John Thomas, deputy chairman of the Royal Institute of Chartered Surveyors, said the rise was "unlikely to affect the supply and demand situation to any material degree, as the measures are likely to be short-term and come at the time of the year when the market is usually at its quietest. It will certainly not cause any reduction in prices."

He said first-time buyers should think very carefully before considering rented accommodation as a temporary measure, because it was likely to be more expensive in the longer term.

Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● PROCESSING

Filters that will take out germs

TECHNOLOGY DEVELOPED in Germany for the purification of gas and air is to be applied by a new British organisation to be known as Gemoc Fluid Processing.

Parent company, based in Dortmund, has become one of the European leaders in the area despite the fact that it has not been in operation for more than four years.

Gemoc is offering high-performance dryers and filters with capacities from 5 to 10,000 cubic feet per minute. Initially, the range will come from the parent organisation but as time goes by, more and more will be built at Chandlers Ford, Hampshire. Immediate delivery is specified for units up to 1,000 cubic feet per minute with 10 to 12 weeks for larger models.

Four types of filter are provided—dust filters, ultra-fine coalescing, active carbon and sterile filters.

Dust filters will remove 99.996 per cent of particles above 5 microns. Coalescing filters, resistant to oils containing acids and synthetic lubricants, come in two series: M, which takes out everything above 0.1 micron to 99.998 per cent; S, which eliminates everything above 0.01 micron to 99.99998 per cent.

Despite this extremely high performance, pressure drop through both types does not normally go above 0.9 lb.ft. per square inch. They take out free water and oil droplets.

Active carbon filters have an integrated dust filter and are made of extremely fine grain sintered material. An S series coalescing filter combined with one of the latter will provide compressed air that is odour-free and contains contaminants amounting to less than 0.01 milligrams per cubic metre.

Bacteria free compressed air supplies can be obtained through the use of the sterile filter series.

Gemoc is at Mayflower Close, Chandlers Ford, Eastleigh, Hants SO5 3AR. (042 15 60345.)

Eases platers' problem

FRENCH-DEVELOPED, a compact ion exchange system for the treatment of plating shop effluent is being marketed in the UK.

It is claimed that the equipment removes the responsibility for effluent purification from the electroplater while it is so small that installation presents no problem, even in the most crowded shop.

Typically a system would consist of a closed loop arrangement with circulating pump, sand or carbon filter and a rack containing the ion exchange cartridges selected according to the type of effluent being handled. The cartridges are so arranged that as one becomes saturated, *so the flow of effluent is diverted* to a fresh unit. Pure water is reclaimed for recycling to the rinse stages of the plating process.

Saturated cartridges would be removed on a regular basis for regeneration at central stations selected for ease of service.

The developer claims that there is no problem with any *industrially occurring* effluent and that the process is particularly useful in eliminating unwanted chrome and cyanide residues.

Evers and Associates, Hastings House, 43 Foregate Street, Worcester. 0905 20283.

● INSTRUMENTS

Ultra-sound gives depth

AVAILABLE from Welin Davit and Engineering Company is an ultrasonic probe designed for lowering into tanks and containers to detect liquid/air and liquid/liquid interfaces to establish contents.

For ullage and interface gauging the device takes the *form of a piezo-electric sensor* encased in a stainless steel tubular probe which is suspended on a tape incorporating conductor elements. The Tefzel-jacketed tape winds off a handreel and the probe feeds through a small hole or gauging slot in the tank (subject to standing safety requirements). When an interface is reached an audio signal is produced by the associated electronics. The level is then read directly from the tape which is calibrated in metric or imperial scales.

Measurements to 100 feet with an accuracy of ±½ inch can be made. With an appropriate *probe, temperature measurements* to a tenth of a degree F are also possible.

The equipment is carried in a small wooden attache case, is battery powered and has a BASEEFA safety certificate.

Dudley Road, Brierley Hill, DY5 1HR, West Midlands (0384 78294).

Probing in deep waters

DESIGNED for deep water applications an ultrasonic probe *has been developed and manufactured* by the MatEval NDT Company. It is additional to MatEval's standard ultrasonic range introduced last year.

The new probe is of the compression wave type and is housed in a casing which is leak-resistant and water-proof at pressures of up to 1,000 psi. The design is such that beam shape, *pulse length and general* characteristics are maintained at these high pressures. Typical applications include corrosion inspection and thickness measurement of deep water and high pressure structures.

MatEval, 1 Belvedere Road, Newton-le-Willows, Merseyside. Newton 22006.

● HANDLING

Quick cut-off for molten steel

AGREEMENT between the Italian Sanac company and Foseco Steelmills International has *enabled the latter to introduce* second-generation sliding gate equipment for steel ladles from 15 to 300 tonnes capacity, *as well as for continuous casting* tundishes.

Patented, the design is extremely simple and has already *been shown* to reduce installation and running costs. It has been evolved to cope with nozzle diameters from 25 to 130 mm in six *standard models.*

Intricate construction and time-consuming preparation have been eliminated. The refractory *plates, for example, are located* and secured mechanically and do not have to be set to critical tolerances. Use of springs, and *the attendant problem of* detempering, has also been avoided.

No workshop pre-assembly is *required and the Foseco-Sanac* gate can be prepared quickly in the casting area. The refractories can be changed and the gate reassembled in less than 15 minutes in many applications.

Lengthy drying periods have also been eliminated. The *refractories are fitted dry, mortaring only being needed at the* joint between the nozzle and plate. With preheated ladles, *drying is unnecessary and only* a light flame is required on non-preheated ladles.

There is no necessity for separate drying ovens. Other features include an independent quick-release nozzle, which can be changed without disturbing the mechanism, a hinged bottom assembly for rapid internal access, and air cooling of both nozzle and gate exterior.

Normally, the only ladle modification needed is the welding on of the levelling plate. The gate *mechanism is* then bolted directly to this plate.

Foseco, Long Acre, Nechells, Birmingham B7 5JR. 021-327 1011.

● TRANSPORT

High-speed train control

PLESSEY has supplied 2000 "between the rails" transponders and 20 train-mounted pick-up/processor units to allow the drivers of the advanced passenger trains (APT) to make best *use of the track when the new* service opens between London Euston and Glasgow Central next year.

Normal trackside speed limit signs will not apply to the APT and the new radio system will allow the driver to see the limits which apply to him at various points along the route using a display in the cab.

An aerial mounted under the train transmits a 147 kHz signal continuously. When the train is over a transponder, sufficient energy is transferred to power it, so that no batteries or local *supplies are required. A coded* message of 80 bits is then immediately sent back on a sub-carrier to display the local speed *limit in the cab. The system on* the train is duplicated for safety reasons.

Transponders are fitted in the track at maximum intervals of one kilometre and at other locations (before junctions, for example) where speed might have to be reduced.

If data is not received on the train at the appropriate intervals, *the cab display is blanked* out and an audible warning sounds—as also happens if the display changes to a lower limit. Should the warning not be cancelled within a pre-set time the *brakes are applied to bring the* train to rest.

Plessey *says that other applications of the system are under* consideration—for example, to control heating, lighting, ventilation and channel switching for mobile radio (as the train moves from one transmitting station's coverage area to another). In addition, the system can be "inverted," with the transponder in motion, so that it can be used for train and wagon *identification.*

Plessey Controls, Sopers Lane, *Poole,* Dorset BH17 7ER (02013 5181).

● SECURITY

Phone line alarm idea

STARTING NEXT year the Post Office is to run trials in Norfolk *and Suffolk of a scheme to use* existing public switched phone lines to subscribers' premises as a means of raising the alarm in the event of burglary, fire or other emergencies.

Some 29 telephone exchanges will be involved and depending on public reaction and the extent to which the co-operation of police forces and fire brigades *can be obtained, the system* might be extended to other parts of the country. No tariffs have yet been announced.

Known as ABC (for "alarms by carrier") the equipment when activated will send an alarm signal above normal audio frequencies to a special terminal at the local police or fire brigade headquarters.

Activation will be from concealed call points operated in a similar way to "break-glass" fire alarms common in industrial and commercial buildings. Thumb pressure releases a microswitch and initiates the emergency tone. Any attempt by intruders to cut the phone line produces the same result.

The signals are sent to a cen*tral control telephone exchange* using time and frequency division multiplex techniques, and then to the police or fire emergency control room equipped with a printing terminal able to deal with calls from a large number of protected premises. The unit occupies little space in comparison with the individual terminations needed with some *private systems.*

A separate filter isolates the telephone circuit from the carrier transmitter so that ABC *does not affect the normal function* of the exchange line, and vice versa.

● CONSTRUCTION

Ceiling will help save energy

THE FIRST installation of a G and H Luftungsraster-Decke ceiling system, manufactured by Grunzweig and Hartmann of West Germany, has been completed at the Welwyn Garden City offices of Roche Products by Wembley Roofing/Ceilings, Apex House, Fulton Road, Wembley, Middx HA9 0DD (01-903 8022).

It incorporates an upper ceiling membrane of perforated acoustic panels laid into parallel *lines of recessed main runners,* designed to accommodate 1800mm x 75 W fluorescent lighting fittings, and providing return-air facilities for heat reclamation.

The company says that this is the first time that the G and H system has been interconnected to an air-conditioning plant designed for energy conservation, using terminal high velocity induction units installed within the ceiling void.

Cuts down factory noise

IT IS not necessary to make structural alterations to the factory shell in order to achieve effective noise insulation, says Acousticabs, Stonebow House, Stonebow, York (0904 36441).

Noisy areas can now be separated from other working spaces where quiet conditions are necessary, with a temporary acoustic enclosure called Acousticurtain.

The basis of this is ½ inch flexible pre-based sheeting con*taining a heavy sound-deadening* filament, which is suspended from a simple framework or from sliding gear. It is available in rolls 4 feet 7 inches wide and 15-20 feet in height, and is coloured green.

● IN THE OFFICE

Eases keyed data entry

OPERATORS who are concerned *with keyboard data entry* and similar tasks can have the work made easier using a motorised document holder offered by Perforag (Sales) of Greaves Way, Leighton Buzzard, Bedfordshire LU7 8UD (05253 66743).

It consists of a 370 x 240 mm plate with document holding clips on which is mounted a horizontal cursor that can be moved a line at a time using a foot switch. A horizontal slider at the bottom of the plate permits adjustment of the vertical spacing. The plate itself is supported on a multi-jointed arm so that it can be put in the most suitable position for the *user.*

Two pedals are provided, one for inching on the spacing and the other for putting the cursor *into reverse using a "kick-down"* action. Extension plates for larger documents and a magnifying cursor can be supplied.

● ELECTRONICS

Finds level in two axes

A GRAVITY sensing electrolytic transducer intended for the measurement of tilt in two axes has been put on the market by The Monolith Electronics Company.

Glass capsule of the 7663 has an overall height of 30 mm, a diameter of 15 mm and is partly filled with a somewhat viscous conducting fluid. Connection is made by five hermetically sealed vertical contact pins and the device is mounted vertically. There is one central pin surrounded by the other four disposed at the four corners of a square.

The device provides a proportional output for large tilt angles in a working range of ±20 degrees in each plane with a sensitivity of 100 mV/deg. Repeatability is ±3 minutes of arc.

A number of advantages are claimed over pendulum and mercury switches. For example, the action is highly damped, providing immunity to vibration and sudden movement eliminating erratic action and chatter. The proportional output also enables closer control to be obtained with a servo system.

5, Church Street, Crewkerne, Somerset TA18 7HR. (0460 74321).

● PRINTING

Blanket to improve legibility

RFC—reduced fabric construction — printers' blankets which are more resilient and give better print quality, *are coming* from Dunlop GRG Division, Skelmersdale. They incorporate high strength synthetic fabrics with *a specially formulated resilient* interply layer of rubber.

Because of the methods employed in producing their carcases the RFC blankets are much less susceptible to pack-down. With improved resiliency the plate-blanket, blanket-impression pressures can also be appreciably reduced to obtain maximum contrast values—under *normal conditions* by up to 0.5 mm (.002 in).

These low operating pressures reduce plate wear and assist in improving the sheet release characteristics over the comparable conventional blanket where lighter weight stocks are employed. The synthetic fabrics and solvent-resistant rubbers also make the blankets highly resistant to attack by wash solvents, particularly in the carcase.

Extensive tests on screen, line *and solid* work, using both conventional litho and dry offset printing processes have been carried out and throughout the test programme sheet sizes and stock types were varied successfully. Very sharp reproduction of screens and letter reversals were obtained.

Dunlop at 10 King Street, London SW1Y 6RA, 01-930 6700. Skelmersdale 0695 24111.

● *By agreement between the Financial Times and the BBC, information from The Technical Page is available for use by the Corporation's External Services as source material for its overseas broadcasts.*

PARLIAMENT AND POLITICS

Tories seek insider dealing changes

BY IVOR OWEN

AS THE Companies Bill moved [illegible] Second Reading in the Commons last night the Government received [illegible] warning that Tory MPs [illegible] a determined effort [illegible] the committee stage to secure [illegible] changes in the provisions which seek to make insider dealing a criminal offence.

Mr. John Nott, Shadow Trade Minister, assured anxious Tory backbenchers that there was no [illegible] would be expected to [illegible] vote for provisions [illegible] would damage legitimate share dealings and [illegible].

The Government's readiness to consider drafting changes in the insider dealing provisions was [illegible] Mr. John Smith, [illegible] Trade Secretary, who [illegible] his first speech in the Commons [illegible] succeeding Mr. Edmund Dell just over a week [illegible] the Second Reading [illegible].

But Mr. Nott['s] emphasis on the concern which the existing [illegible] in the Bill had [illegible] if the [illegible] to renege [illegible] commitment to [illegible] dealing which [illegible] a criminal [illegible].

[illegible] his preference [illegible] self-regulatory [illegible] Mr. Nott maintained [illegible] no more than [illegible] drafting changes [illegible] during the committee stage.

Wide range

[illegible] that the [illegible] would adopt a [illegible] and examine [illegible] of the Bill after the committee stage, before deciding [illegible] Third Reading.

Mr. Smith contended that the [illegible] insider dealing [illegible] offence had been [illegible].

[illegible] the Council for the Securities Industry, speaking for [illegible] range of financial and [illegible] had firmly [illegible] this view.

[illegible] recognised that the distinction between reprehensible [illegible] and innocent and useful [illegible] was easier to recognise [illegible] than to embody in statutory language.

"[illegible] we are wish to make it [illegible] while the Government is firmly committed to the introduction of criminal sanctions, it does not intend to make it [illegible] for legitimate or desirable activities to continue."

[illegible] category, explained Mr. Smith, he had in mind shareholders, employees and directors [illegible] companies for whom [illegible] the more active roles [illegible] institutional shareholders [illegible] role of investment analysts [illegible] financial journalists in disseminating information and [illegible] companies' performance.

Mr. Smith claimed that the [illegible] in the Bill represented [illegible] reasonable balance between deterring wrongdoers and not discouraging those who were doing no wrong at all.

But he acknowledged that the [illegible] which the Government had itself invited had revealed some differences of opinion about particular drafting points.

"I have no doubt that these will be closely scrutinised in committee and the Government will listen with care to the arguments which will doubtless then be presented."

The Minister drew attention to the defences provided for trustees in bankruptcy, receivers and liquidators, who were all under an obligation to realise the assets under their control, and for anyone who dealt, when he did not do so with a view to using the price-sensitive information to make a profit or avoid a loss.

The importance of this aspect of the provisions should not be overlooked.

The Minister also pointed out that prosecutions in England and Wales—conviction could lead to up to two years in jail and an unlimited fine — could only be initiated by the Secretary of State for Trade or by or with the consent of the Director of Public Prosecutions. In Scotland, the consent of the Lord Advocate would be required.

"I think that with the introduction of new offences, it is valuable and I hope reassuring, to have such control, which will deal with apprehension of ill-founded but none-the-less highly damaging private prosecutions."

Mr. Smith recognised that the provision empowering the appointment of inspectors to investigate suspected cases of insider dealing in market transactions marked a considerable extension beyond the usual powers of investigation of criminal offences.

But he believed that this extension was justified by the need to provide an effective means of getting to the bottom of suspected cases of insider dealing.

"They will be as valuable in permitting people to clear themselves or their clients of suspicion as in narrowing the field of suspicion."

Mr. Smith announced that he proposed to set up a Standing Advisory Committee on Company Law, which would be composed of representatives of the professions, industry, the City and the trade unions.

Its task would be to undertake a continuing review of company law so as to provide the Department of Trade with advice both on general developments and specific proposals.

Many details had still to be settled, but he hoped that it would prove possible to publish many of the Advisory Committee's reports and recommendations.

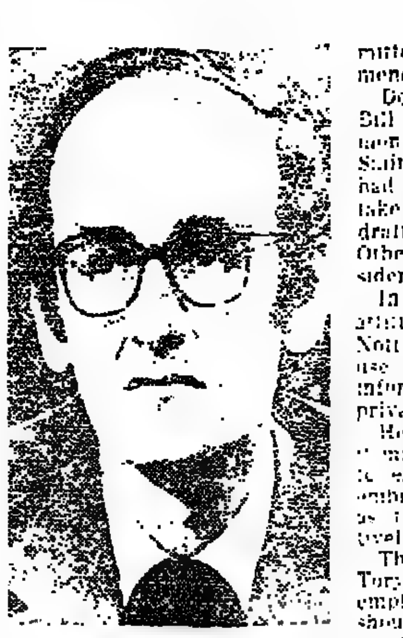
Dealing with the section of the Bill codifying the existing common law duties of directors, Mr. Smith pointed out that a change had been made to Clause 44 to take account of criticism of the draft provision published in July. Other changes were under consideration.

In setting out the Opposition's attitude to insider dealings, Mr. Nott condemned the improper use of confidential and specific information for the purpose of private gain as an abuse of trust.

He was prepared to accept that it might sometimes be necessary to extend the criminal law to embrace a new offence so long as that offence could be effectively defined.

There were cheers from the Tory benches when Mr. Nott emphasised: "But Parliament should be very cautious about creating new crimes in response to political pressure, and particularly so when the forces of law are so fully stretched.

"If it suspects that a criminal deterrent may be more rather than less difficult to enforce, and if there is insufficient consensus on how the crime should be defined, it should pause and consider the matter with very great care."



MR. JOHN NOTT

Vendetta against Lonrho—Tory

THE TAKEOVER bid by Lonrho for Scottish Universal Investment Trust was the subject of lively exchanges in the Commons.

Mr. Dennis Canavan (Lab., W. Stirlingshire) claimed that Mr. "Tiny" Rowland, Lonrho's chief executive, was solely concerned with profits, and accused him of "exploiting workers."

But Mr. Robert Adley (Con., Christchurch and Lymington) said the Government was conducting "a mean and spiteful vendetta" against the company.

Mr. Canavan declared that the takeover bid, which had been referred to the Monopolies Commission, was causing concern to the Scottish trade union movement.

They were worried about thousands of jobs being taken over by a huge multi-national company like Lonrho, and "headed by a man like 'Tiny' Rowlands, whose sole aim is to maximise his own profits by exploiting workers, whether in Scotland or South Africa," he alleged.

Mr. Adley claimed that Dr. David Owen, Foreign Secretary, had "his knife stuck into this company." He called on the Government to stop "this mean and spiteful vendetta against someone who is merely trying to run his company properly."

Mr. John Fraser, Minister of State, Prices and Consumer Protection, said anyone who wanted to offer evidence to the Monopolies Commission should send it directly to them.

He told Mr. Adley that he maintained "absolute impartiality" about the takeover.

Mr. Fraser said he had agreed to a request from the Commission to extend the time allowed for submitting their report to February 11 next year.

Pay policy 'has cost Ford £400m'

EFFORTS by the Ford Motor Company to stick to the Government's "asinine" pay policy has cost the company £400m so far, and this could be held as a reasonable justification for increasing its prices, Mr. Nicholas Ridley (Con., Tewkesbury) said in the Commons.

If the Price Commission investigated Ford it might find the cost of the present strike could be held as a justified reason for increasing prices, he added.

Mr. Roy Hattersley, Prices Secretary, replied: "Whether the Price Commission investigates a price increase in Ford —were one to come along — is a matter for them."

Mr. Michael Latham (Con., Melton) asked whether, if Ford was "black-listed" by the Government and if the CBI counter-sanctions to the black-list were to work and other British motor manufacturers refused "to fill the gap," it was the "Minister's intention to ask Toyota and Datsun to fill the gap."

Mr. Hattersley: "I do not believe the CBI would be so irresponsible as to try to work against the Government's pay policy.

"The pay policy is in the interests of the economy as a whole and despite some of the rather extreme things said at the CBI conference, I believe the leadership of the CBI will be a good deal more responsible than given credit for."

Confident

Failure to reach agreement would have no significant effect on the level of wage settlements or the prices index.

But he added: "I do believe that the economic success of this country needs a successful working partnership between the Government and the unions."

"There is no reason why the 12 month rate of increase in retail prices should return to double figures if pay settlements are consistent with the policy outlined in the Government's White Paper."

Mr. Eric Heffer (Lab., Walton), attacked Mr. Tom Jackson, TUC chairman, who had argued in support of the 5 per cent policy—but whose union had put in a claim for 25 per cent.

Mr. Heffer crossed swords with Mr. Jackson at a Parliamentary Press Gallery lunch last week, when the union leader claimed that the trade union movement had lost its way.

"The 5 per cent policy has now been broken," Mr. Heffer said. "We ought to get back to the sensible position of free collective bargaining, and at the same time recognise that the claims ought to be kept in reasonable bounds."

Mr. Hattersley said Mr. Jackson had demonstrated "a consistent attitude" in his speech.

Sea supremo

Mr. John Smith, Trade Secretary, said Britain's new marine pollution supremo is to take up his job early next year.

Rear Admiral Michael Stacey will be the head of the Government's Marine Pollution Control Unit, he said in a Commons written reply.

The unit would manage Britain's anti-oil pollution resources, develop a national plan, and take charge of sea operations in any pollution emergency in British waters.

Mr. William Rodgers, Transport Secretary, condemned in a Commons written answer the unofficial action by railmen on the South Western division of British Rail Southern Region.

'RPI up 97% since 1974 —Hattersley

THE COST of living under Labour has risen by almost 100 per cent the Commons heard.

Mr. Roy Hattersley, Prices Secretary, faced a barrage of criticism when he announced that the Retail Price Index had risen by 97.7 per cent since 1974, when Labour came to power.

But he added that the Government had kept inflation down to single figures.

Mr. Peter Rost (Cons., Derbyshire S.E.) asked why prices had doubled under Labour, and Mr. David Knox (Con., Leek) said they had gone up by four times as much as Western Germany and twice as much as Japan, the U.S. and France.

Mr. Hattersley blamed the previous Conservative Government. "This increase has been caused by a Government which allowed the money supply and the Public Sector Borrowing Requirement to get totally out of hand. That is why our figure is different from that of our competitors."

Mrs. Sally Oppenheim, Shadow Prices Secretary accused Mr. Hattersley of having moth-eaten alibis. "The total increase in inflation under this Government is 16 per cent. That is the level which matters to the consumers of this country," she said.

Damage

Dealing with another question, Mr. Hattersley said he was most whole heartedly opposed to an overall price freeze. It would do a great deal of damage to industry and employment.

"The effective way of controlling prices in the sort of economy we manage is to run the right economic policies — and that we have been doing — and secondly, to have a policy of selective price restraint, and that is organised by the Price Commission."

Mr. Hattersley reaffirmed his confidence that the Government would control inflation next year. "I have no reason to believe that we will not have a successful year of counter-inflation policy in 1979."

He defended the Government's record on inflation against claims by Conservative MPs that it was certain to rise to double figures next year, and that action by the Price Commission had damaged investment and jobs.

The Price Commission was an agency for preventing unjustifiable price increases, not an agency for keeping down the Retail Price Index.

"We have now a good prices policy which is being operated wisely as well as determinedly," he said.

In reply to another Common's question Mr. Robert MacLennan, Prices and Consumer Under-Secretary, said food prices in Britain have been lower than those of France, the U.S. and Canada for the past 12 months.

MR. ROY HATTERSLEY

Commitments

He told Mr. Robert Adley, (Con. Christchurch and Lymington), that the food price index in mid-October had increased by 103.8 per cent since February 1974.

"However, in the 12 months to October 1978, food prices rose by only 6.9 per cent. "The level of the index has now remained virtually unchanged for the last five months."

Mr. Adley spoke of a Guardian report which referred to Labour's record on manifesto commitments having been carried out. But he said "little things like jobs, cost of living and food prices were not even mentioned."

"Could it be that if anything is carried out, it will be pensioners living on fixed incomes feet first if we have much more Labour Government?"

Mr. Maclennan said the level of increases had been very encouraging in the past five months.

Callaghan hopes interest rates will soon fall

BY RICHARD EVANS, LOBBY EDITOR

THE PRIME MINISTER faced protests from trade union and Labour Party leaders yesterday over the impact the recent increase in Minimum Lending Rate would have on industrial investment and on the housing programme.

But Mr. Callaghan, while regretting the jump in interest rates earlier this month, argued that the only alternative would have been to allow money supply to rise and inflation to soar, as Lord Barber had done when Tory Chancellor.

He told a meeting of the TUC/Labour Party liaison committee that he hoped the sharp rise in interest rates would be only temporary, and that they would soon begin to fall.

Mr. Callaghan accepted that some trade unions would inevitably be unhappy about the effect on industrial borrowing and investment, and subsequently on jobs.

Mr. David Basnett, general secretary of the Union of General and Municipal Workers and former chairman of the TUC, said the issue of interest rates and their impact on employment was one that the union leaders would wish to continue discussing with Ministers.

The only other pressure on the Prime Minister at a fairly low-key meeting where incomes policy was not mentioned, was over the Cabinet's forthcoming decision on whether Britain should join the proposed European Monetary System.

Mrs. Barbara Castle, backed by fellow Left-winger Mr. Eric Heffer, urged a special meeting of the liaison committee to discuss the matter. But Mr. Callaghan was distinctly hostile to the proposal and it gained no further support.

The Prime Minister pointed out he was having detailed discussions with Common Market leaders in the next few days.

There was to be a debate within the Parliamentary Labour Party next Tuesday. Mr. Denis Healey, Chancellor of the Exchequer, was to meet members of the National Executive's Economic and International Committees next Monday, and he was also having talks with trade union leaders.

He saw no point in a further discussion in the liaison committee.

The Cabinet is to discuss British membership of the EMS this Thursday and on Thursday week, and there is to be a Commons debate next week. The decision must be made before the next summit of European leaders in Brussels on December 4.

Warning on ambulance dispute

MR. ERIC DEAKINS, Under-Secretary Social Services, was accused by a Labour MP in the House of Commons of complacency over the dispute involving West Midlands ambulancemen.

The attack was made by Mr. Gwilym Roberts (Cannock), who warned that the disruption "could spread nationwide within days."

Mr Deakins, answering an emergency question from Mr. Jeff Rooker (Lab. Perry Barr), had said that 400 of the 650 ambulancemen in the West Midlands had been suspended from duty by yesterday for refusing to return to normal working.

Mr. Roberts said Mr. Deakins was taking a complacent attitude to the dispute.

"A mass meeting is taking place today which could vote to spread this dispute throughout the whole of the West Midlands health region, and it could spread nationwide within days," he said.

But Mr. Deakins said he was aware that the meeting was taking place. He hoped the outcome would be favourable and the problem would be speedily resolved.

Mr. John Stokes (Con., Halesowen and Stourbridge) suggested bringing in the Army to help out in emergencies.

Dr. Gerard Vaughan, Opposition health spokesman, criticised the way negotiations were being carried out, and said that no meeting had been arranged between NUPE and the Regional Health Authority.

Mr. Deakins said if this afternoon's mass meeting was unsuccessful, the union would have to get together with the authority.

Euro-poll fund move deferred

BY PHILIP RAWSTORNE

THE LABOUR Party's finance committee yesterday deferred until next month a decision on the allocation of funds for the party's European elections campaign.

Transport House officials are to prepare a report for the committee on the estimated cost of the campaign and the sources of finance, including EEC funds, available to it.

A proposal that £100,000 should be allocated from party funds for the campaign was yesterday bitterly attacked by Mr. Ian Mikardo, the left-wing MP for Poplar, and former member of Labour's national executive.

In a letter to Mr. Ron Hayward, the party's general secretary, Mr. Mikardo said he was shocked that the party should consider spending such a sum "on an election to which party policy is opposed.

Pointing out that Labour had refused to spend anything during the EEC referendum campaign, Mr. Mikardo said that if the proposal were adopted, he would make no further contributions to party funds beyond the minimum necessary for party membership.

"I shall not be surprised if thousands of other members do the same," he added.

Mr. Mikardo's protest may be taken up by other left-wing members of the national executive when it meets tomorrow.

Government Ministers on the committee may also come under renewed pressure to legislate for State aid to political parties for the campaign.

A proposal that £80,000 should be allocated from party funds for the devolution campaigns in Scotland and Wales was also shelved by the finance committee yesterday.

The national executive, which is being recommended by the party's organisation committee tomorrow to sanction the expenditure, could decide to go ahead with the proposal, but seems more likely to await the finance committee report next month.

هكذا من الأصل

The Management Page

David Curry reports on how Francois Gadot-Clet is attempting to put one of France's oldest companies back on its feet

Fighting to dispel the image of the dowdy matron

FRANCOIS GADOT-CLET flips through a copy of Paris Match until he comes to a large photo of a trio on a beach—a leggy model in a teeny-weeny bikini; a solid muscled man with a film-star grin; and the rather skinny frame of Gadot-Clet himself faintly resembling Woody Allen. The model is his American wife and the man is Raymond Poulidor, the French cycling hero whom Gadot-Clet has hired to help with promotions and design.

"That's what we want," he declares, "bags of publicity. We've got to dispel the image of the dowdy matron. We've got to be part of the Pepsi generation."

Thus speaks the 37-year-old chairman of a 93-year-old empire—Manufrance. Manufrance, with mail-order, stores and manufacturing activities, is one of the oldest industrial names in France. Based at Saint-Etienne, in the southern Massif Central, it has a strongly regional character and a vital role as one of the main employers.

Manufrance has come within a stone's throw of bankruptcy. It is under the wing of the commercial court to whom Gadot-Clet had to present his recovery programme.

Gadot-Clet is the latest in a long line of last-ditch chairmen, four having come and gone in the year before his appointment. Each tried to bring in new capital; each tried to impose redundancies; each tried to reach agreement with creditors for a rescheduling and partial abandonment of debts. They all failed.

For they all hit a particular snag: Manufrance has one particularly important shareholder—the city of Saint-Etienne which controls some 28 per cent of the equity. And in March 1977 Saint-Etienne elected a Communist-controlled council. Henceforth, the battle to save Manufrance became a bitter political fight as the management, *confronted with the opposition to redundancies of the Communist-controlled* CGT union, sought to reconcile the opposite political interests of a Communist major shareholder and a conservative central government—within the frenzied atmosphere of a general election run-up.

Gadot-Clet, who took over the company in March 1978, had one big advantage: he knew his way intimately around the political scene. He also had one big disadvantage: he had never, in his life, so much as managed even a bowls team.

Two people persuaded him to take the job. The first was his boss, M. Edgar Fauré. Edgar Fauré is a perennial of French political life, having served in most ministries before becoming President of the National Assembly.

When he moved to Manufrance Fauré gave him four pieces of advice: get the big battalions on your side (the CGT and the Gaullists); play the game of Saint-Etienne chauvinism; make sure you square the Communist town hall; don't forget that most of the people who matter live in Paris.

The second person who influences Gadot-Clet is quite a different cup of tea. A stocky businessman, speaking the accents of his native Midi where he began life as a shepherd. Jean-Baptiste Doumeng has *made millions. He owns one of* the country's largest agro-food export businesses, is an important figure in co-operative farming, is a partner of the Rothschilds in various real estate and commercial activities—in other words, typifies the poor boy made good. He is also a dedicated Communist and one of the French Communist Party's leading private sources of funds.

Hierarchy

With his contacts in the Communist Party, Jean-Baptiste Doumeng is a counsellor to Gadot-Clet and a useful ally in selling business propositions to the local Communist hierarchy.

Gadot-Clet faced several problems. He first had to inspire the Government and creditors with a minimum of confidence in the company so that it could continue to function. This meant tackling straight away the problem of overstaffing, excess stocks, and low morale. It also meant achieving a working relationship with the local town hall and the CGT union. In the longer term he had to work out a re-organisation of the company to bring in fresh capital and new expertise.

First of all, what is Manufrance? It is a manufacturer of sewing machines (Omnia); of *hunting weapons (around 40,000* a year); and of cycles (45,000).

It is a mail-order house with a catalogue of more than 30,000 items. It is a stores group with some 90 shops, almost without exception in prime city-centre positions, selling basically the items which appear in the catalogue, manufactured by Manufrance and others.

Finally, Manufrance is a publisher: Le Chasseur Francais *sells* around 700,000 copies a month. In a country where slaughtering the wildlife is a passion from the President downwards, Le Chasseur Francais is a prize possession.

In 1976 Manufrance employed some 3,800 people of which 2,700 were in Saint Etienne itself. By May this year employment was down to some 3,000. The company buys some Frs150m of goods annually from local suppliers, providing some 4,000 additional jobs in the region.

In 1977, although turnover was around Frs585m (of which Frs176m came from mail-order and some Frs234m from the stores), it lost Frs107m. By the end of May this year the losses were already around Frs50m.

What was wrong with Manufrance? Gadot-Clet gives examples. "We had a catalogue of 33,000 items, but the profitability of the catalogue had never been worked out page by page.

"In a catalogue almost every item priced under Frs70 loses money. Well, about 65 per cent of the catalogue sold for under Frs70—and that represented 25 per cent of turnover. We shall reduce the number of items under Frs30 to a minimum, check profitability by page and reduce the total size to nearer 24,000 items."

He jumps to the sporting guns activity. "When I arrived there were 31,000 guns in stock and some had been there for six years. I was told they couldn't be run down because someone might want to buy them. I had threatened to fire people before I could cut the numbers in stock. We are now down to 8,500."

The hardest job was cutting manpower. It was here that Joseph Sanguedolce, the Communist mayor of Saint Etienne, played the most constructive role, according to Gadot-Clet, in convincing the unions of the need to reduce the workforce. Previous chairmen had aimed at 1,000 plus redundancies. Gadot-Clet obtained agreement on a total of 334 by redundancy and early retirement.

The cutting of the workforce fulfilled the essential condition necessary to obtain Government support—a recovery programme which had "bite" to it. The Government has promised FFrs 20m in long-term loans and has so far handed over FFrs 8m.

Gadot-Clet is anxious to get to grips with a salary system which depends heavily on bonuses paid without regard to performance and he has promoted young managers from within the company having, on the whole, sent the existing tier of managers packing.

Gadot-Clet thinks already that the signs are pointing to success. He says he has some FFrs 70m on hand now against nothing a few months ago. Creditors have agreed to abandon half the money owed to them if they receive the remaining FFrs 90m by next March. Suppliers are now permitting 10 days credit and sales volume is improving.

To get new capital into the company Gadot-Clet is creating operating subsidiaries covering the manufacturing activities, mail-order and stores, and publishing, in which the capital will be held by a new Manufrance holding company and by partners with expertise in the various sectors.

Thus France's biggest publishing house, Hachette, is taking a 50 per cent stake in Le Chasseur Francais (FFr 16m profit last year) for FFr 40m. Gadot-Clet wants Hachette to add to this by taking a position in the stores group (and create, for example, book-shop areas within the shops) or in mail-order.

The chain of some 90 shops is, Gadot-Clet argues "badly run with the staff uninterested, unmotivated and badly paid." He intends to modernise the buildings, rebuilding where necessary, and to gear the stores more towards leisure and do-it-yourself activities. Seven Manufrance franchise operations will open by the end of the year and three shops will be closed.

In 1977 the stores lost *FFr 20.5m on a turnover of* FFr 244m; according to the official restructuring plan the aim is to make FFr 14.6m profit on some FFr 400m of sales in 1981.

Hunting

On the mail-order side Gadot-Clet is looking for European partners to enable him to maximise existing warehouse and handling facilities which are turning over at only 50 per cent of capacity. The 1979 catalogue will be snappier and brighter than its predecessors, trimmed in size, but there will also be mini-catalogues for special product areas. Prospects this year are for sales of some FFr 190m to expand to FFr 370m by 1981 with profitability more than doubling to FFr 48m.

The manufacturing side presents *other problems*. Manufrance makes half the hunting weapons produced in France but accounts for only a quarter of sales. It already heads a *group of local arms manufac*turers and its main need is to re-conquer the domestic market. The aim is to improve production to some 45,000 weapons and 25,000 barrels by 1981, but at the moment the run-down of stocks is depressing output.

The sewing machines lack both volume and technical excellence. Manufrance is talking with Singer about some form of co-operation. Certain Singer items are already in the Manufrance catalogue and other items, like vacuum-cleaners, could be added. The rescue programme talks of increasing output from 5,300 to 16,000 by 1981.

One of the big efforts is being made on cycles. This explains why Raymond Poulidor has been hired at FFr 10,000 a month to publicise and help design the company's machines. Production is some 45,000 a year but Gadot-Clet argues that with aggressive marketing, geared more to hypermarkets, a rapid expansion can be achieved. He is hoping for 100,000 production next year rising eventually to 150,000.

The general scenario for the manufacturing activities as a whole is to push up sales from the FFr 96m of 1977 to around FFr 140m by 1981. Losses should reach their worst this year at around FFr 39m (showing the cost of job-cutting) but by 1981 losses should be slight and the recovery under way.

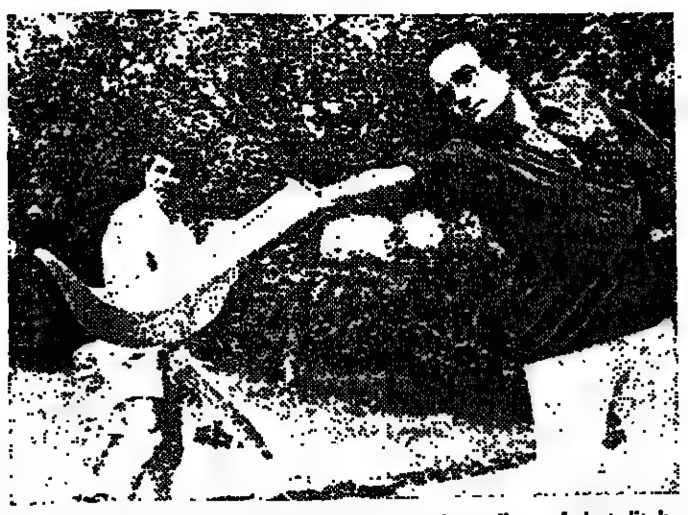
Altogether this year Manufrance expects sales of some FFr 650m and losses of up to FFr 100m. Gadot-Clet is hoping to attract up to FFr 120m into his new joint venture subsidiaries. He already has the FFr 40m from Hachette; FFr 8m out of the Government's promised FFr 20m; and FFr 15m paid by two insurance companies for a stake in the new Manufrance holding company. But the rest promised if not paid over has to come urgently, because by next March the FFr 90m or so must be repaid to creditors.

He may well seek further Government support, both for the ready cash it brings and as a gesture of confidence to stimulate other investors to take the plunge.

Jean-Baptiste Doumeng, at any rate, has promised FFr 5m in fresh capital, and his nose for a profit is respected universally.

Gadot-Clet cannot afford to stray too far from the forecasts made in the recovery programme. This estimates that cash-flow will continue to be negative up to 1979 but that thereafter it should recover to FFr 57.2m in 1981. It will help him to get the new structure on the ground quickly, if only in order to be able to distribute liabilities to the best fiscal advantage and achieve, at least in certain activities, a strong balance sheet.

If the difficulties are still multiple, at least Gadot-Clet can claim to have got a lot of things moving in his nine months as chairman. The manpower problem has been tackled; a rejuvenated management is in place; and the worst aspects of former managerial laxity are being corrected. He has achieved a working relationship with the town council (and has a signed letter from M. Sanguedolce that the city will not use its shareholding to block necessary moves of restructuring, even if it means diluting its stake) and has obtained the first credits from the Government.



Francois Gadot-Clet (right), latest in a long line of last-ditch chairmen of Manufrance, and Raymond Poulidor, the French cycling hero he has recruited to help with promotions and design.

TDC to provide management back-up facility

AS A result of a major switch in policy, Technical Development Capital, the venture capital arm of Industrial and Commercial Finance Corporation, is to involve itself for the first time in the management of companies in which it invests.

The decision to take this step was reached after considerable deliberation by the directors and senior executives of TDC and of ICFC, the institution which, backed by the big British banks and the Bank of England, channels funds into small and medium sized enterprises.

Although the directors concerned are tending to play down the significance of the move, it will nonetheless be widely interpreted as an important change of heart, particularly in the context of the general debate on venture capital.

Until now, TDC has, in common with many other venture and development capitalists, avoided participating in the management of client companies other than on a very superficial level. This has been partly because of the cost involved and partly because it has felt its expertise has lain, and should remain so, in assessment of investment opportunities—something rather different from running them.

Thus, ICFC controllers, for example, look after about 40 investments each, which leaves them little time for individual involvement.

Under the new strategy, according to Mr. Ivan Momtchiloff, assistant general manager of Finance for Industry (parent company of ICFC), executives of TDC Developments will look after only five or six companies. The executives will be recruited largely from outside the ICFC/TDC organisation, he says. What he will be looking for is people who have had several years of managerial experience in industry who, for instance, may be looking for an opportunity to apply their experience in a smaller forum where they will get a much faster feed-back from their decisions.

Mr. Momtchiloff is guarded as to the reasons behind the change of heart on management participation, but admits that pressure from TDC's own management had some effect. It also seems fair to suggest that a report carried out by the American consultancy, Arthur D. Little, and published last year by the Anglo-German Foundation for the Study of Industrial Society, may have been an influencing factor.

Within the context of a broad analysis of the commercial reasons why so-called technology-based firms have been less successful in Britain and West Germany than in the U.S., the report maintained that "... without participative management the odds against TDC's success are very much increased."

In deciding on the introduction of the new service, Mr. Momtchiloff says that it was recognised that many entrepreneurs are technically very good, but are not as able financially or commercially. Now, through TDC Developments, "we will spend more time getting to know companies, thinking through their problems and giving them more support."

There will, however, be no "dramatic" developments in this direction since TDC will need to build up a greater degree of industrial experience. The areas in which management participation will be provided will also be limited. One sector will be micro-processors, both software and systems, but TDC is not disclosing what other industries may be embraced in the new service.

It will only be new investments that will be offered management back-up: existing ones will maintain the same relationship with TDC as hitherto. As Mr. Momtchiloff puts it: "The distinction we are making is that we are applying staff with particular expertise to a small number of specialist companies. This is in contrast to TDC which has a more widespread range of investments."

The cost of the new service is to be borne as an extra overhead by TDC, with no fee being demanded of client companies. The success of the service will clearly not be measurable for at least a couple of years.

Nicholas Leslie

A test again postponed

BY SAMUEL BRITTAN

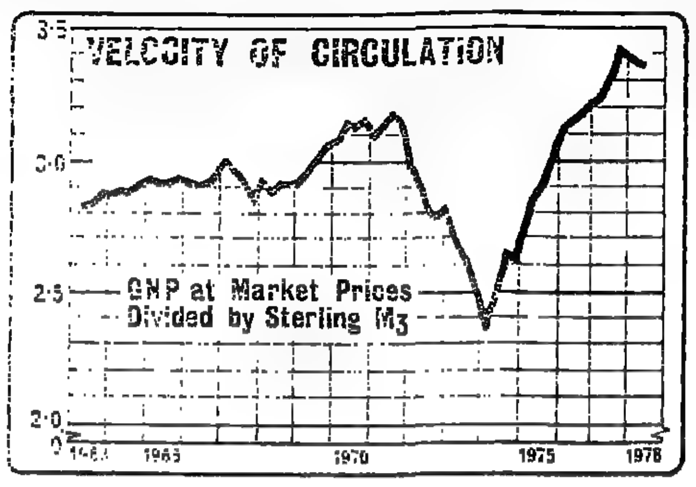
WHAT HAPPENS [illegible] ... on the money supply? This has always been a critical question for monetarists and is [illegible] ...

[illegible] ... It was first [illegible] at the end of Roy Jenkins's [illegible] in 1969-70, but then set aside when the Heath Government abandoned monetary restraint. The money supply was [illegible] control from about [illegible] of 1974. During [illegible] 1975 to 1977 [illegible] declined from 25 [illegible] 9 or 10 per cent. But during those years, the early—and [illegible] most effective—[illegible] were also

14½ per cent and a tiny increase [illegible] increased the effective [illegible] to the 14½-15 per cent [illegible].

During [illegible] same period prices rose [illegible] per cent, as measured by the general GDP deflator [illegible] less than 8 per cent [illegible] prices index—an [illegible] discrepancy. I [illegible] GDP rose by nearly 3 per cent on the average of all the main measures and by 4 per cent [illegible] perhaps more reliable [illegible] measure. The monetary [illegible] was thus sufficient [illegible] the increase in [illegible] putting any strain on [illegible] employment.

[illegible] ver, the monetary brake [illegible] tightened. During the first six months of the



[illegible] ... So what happened [illegible] either to the [illegible] or for both [illegible] ...

[illegible] that for a [illegible] ... the [illegible] quarter of 1977 [illegible] quarter of 1978 [illegible] sterling [illegible] the Bank of [illegible] ...

[illegible] ... of 1978, sterling M3 increased by just under

financial [illegible] sterling M3 grew at an annual rate of little more than 7 per cent. At last the [illegible] upon us. Or is it? One should not underestimate the [illegible] of social [illegible] the face of overwhelming [illegible] test compelling [illegible].

For a start it is almost certain that velocity has increased since the [illegible] quarter of 1978. The [illegible] prices alone would otherwise have absorbed the whole of subsequent monetary growth. Another force frustrating any test is that wages have so far been able to rise far more rapidly than prices mainly due to the strength of sterling. But this cannot continue for very much longer without giving rise to negative profit margins.

Velocity tends to follow "Britton's law." In the long term it is stable, but in the short to medium term it will change to offset partially any drastic changes in monetary growth.

Eventually either wage increases will decline or monetary policy will disintegrate, or we will have a major recession. But "eventually" could be the other side of the election.

Ascending Trentino's dizzy heights

AS THOSE who have driven into Italy over the Brenner will know, the Trentino is a very attractive province, lying between the Alto Adige and the Veneto. The flat valley, never very wide, is bounded by steep mountains that rise to 6,000 feet or more above sea level. There are vineyards on the valley floor, though they are tending to be ousted by the more profitable crop of apples, but the vines occupy the mountainsides, rising in some parts to the exceptional height of 2,000 feet above sea level. Wine growing is largely confined to the Adige valley, to the valley of the Sarca which flows into the top of Lake Garda, and the spectacular Cembra valley, whose dizzily steep vineyards have earned it the local name of "the Rhine Valley of the Trentino."

Hitherto the Trentino wines have not been very well known in Britain, although they are exported in considerable quantities to Germany and Austria. Total production is about 1m hl a year of which one quarter is Denominazione d'Origine Controllata—a high proportion, for nationally the DOC wines account only for 11 per cent of total output. The district provides an unusually interesting range of wine, including some particularly good sparkling varieties, although the greater proportion is red table wine, and most are named after local grape varieties.

To some extent the various wines have their own specified location in the 36 wine-producing communes. For example, Teroldego, the province's special pride, is grown in the north, and so is Lagrein: The Riesling—mostly the Italian, though some of the true German variety is also grown—and the Pinot Nero mostly come from the northern end of the 40-mile-long wine district, but Marzemino is confined to the south, also favoured for the Merlot and Cabernet: although Pinot Bianco, used for the sparkling wine, is grown everywhere.

Teroldego Rotagliono, to give the complete name, is a well-coloured, full-flavoured wine with good aroma and plenty of body. The Trentinese usually regard it as their best red wine, suitable for strongly flavoured foods and grilled meats. It is probably at its best when three to five years old. Lagrein is a more peasant-style wine, strong and on the coarse side when young. For this reason it must have two years' maturing age before bottling. It has a big colour, full bouquet and only

and is slightly sweet.

Marzemino, to which the local inhabitants are partial, is a lighter wine, with an attractive aroma that reminds me of almonds or bitter cherries, with a slight "cut" about the flavour that is refreshing in a young red wine. Marzemino has a

WINE

BY EDMUND PENNING-ROWSELL

special fame for being enjoyed by Don Giovanni in that unfortunately disturbed supper in the last act of Mozart's opera.

Three other DOC reds particular to this part of Italy are Lago di Caldaro, Castelier and Valdadige, which also has a white. The Caldaro lake is not in the Trentino, but in the Alto Adige, but some of the former's communes are allowed to make this light red wine, most of which is exported to Austria and Germany, where it is widely drunk as Kalterersee. It is basically made from the Schiava grape.

Castelier is rather fuller, being a blend of Schiava, Merlot and Lambrusca. This is a recent DOC, taking effect only with the 1974 vintage, and Valdadige came a year later. The red Valdadige can be made from a mixture of all the local grapes eligible for the other DOC wines of the province. So there may seem some logic in the DOC award. Yet the presumption that because a wine is made from "noble" grapes it must be awarded DOC status seems risky, since the composition of a wine is no less important. There are already too many DOC wines, and it is a pity that the Italians, who largely copied their wine laws from the French, did not institute the equivalent of the VDQS grade.

The other two important black grapes, the Merlot and the Cabernet, have been much longer established in these parts than elsewhere in Italy. For when the celebrated S. Michele agricultural institute was established in 1874, under Austrian rule, a delegation went to Bordeaux and brought back the two leading constituents of fine claret. For my taste the Cabernet can produce one of the most attractive Trentino wines, with just a hint of the style of red Bordeaux.

The white wines are rather less interesting. Traminer and Moscato are grown as well as Riesling. The Pinot Bianco is largely used for sparkling wine. One interesting rarity, however, is Vino Santo, made only in four communes in the Sarca valley by the Toblino co-operative and ten private growers. It is a kind of Recioto made from Nosiola and Pinot grapes affected by the botrytis of sauternes and dried in boxes. Traditionally it is not fermented until Holy Week—hence the name—and this is not complete for two years.

With Italy still Champagne's biggest foreign customer, it is not altogether surprising that "native" sparkling wine production is on the increase in many parts of Italy. But it has long been established in the Trentino. The firm of Ferrari was founded in Trento in 1902. Then in 1964 a group based on the S. Michele Institute decided to make champagne-method sparkling wine as a hobby; and they market about 100,000 bottles a year under the somewhat esoteric label Equippe 5. Their well-made wine is made from the black and white Pinot in the 70-30 proportion common in Champagne, but Ferrari's blend is the reverse of that, and for the white wine only Pinot Chardonnary is used, not commonly grown in the valley and without a separate DOC designation from Pinot Bianco. So their production is limited too, to less than 400,000 bottles a year. I particularly liked the Ferrari Brut that had no added dosage of sugar, but they also make the less dry Extra Sec and a rosé. The union of co-operatives, Cavit, produces an exceptionally good *cuvé close* sparkling wine, which very unusually they keep for at least two years before selling.

Cavit, a 20-year-old group of 11 of the 14 local co-operatives, is the biggest wine concern in the province. Also important is the Mezzocorona co-operative further north, and founded as long ago as 1904. The co-operatives are responsible for about 70 per cent of the provincial production, but there are some energetic private firms too, whose wines will be widely found in the locality.

As Cavit now have a UK agent, their wines may be found here, but it is to be hoped that the others will soon secure a place, especially the Teroldego and the Marzemino.

Chokwaro can win Ayr debut in Culroy Novices Hurdle

IRISH RAIDERS have enjoyed a good strike rate—particularly under National Hunt rules—at Ayr in recent years and Glen Corrib should be able to add to the tally this afternoon.

The Tommy Carberry-partnered seven-year-old is among the seven runners for the Barskimming Novices Hurdle, which went to Ireland a year ago through Deep Money.

RACING

BY DOMINIC WIGAN

Glen Corrib showed some promise on both his appearances last season and he again ran encouragingly on his reappearance.

I take him to get off the mark with a win at the expense of Bargello's Lady, a 1½-lengths conqueror of Romany Light at Teesside earlier this month.

A couple of hours before he goes to post, it will be intriguing to see how that tough performer from the Flat, Chokwaro, fares on his debut over the minor obstacles in the Culroy Novices Hurdle.

If, as reports suggest, the three-year-old, trained by Peter Easterby, has taken to his new career, he should have few problems in outpacing the opposition which has been weakened by the surprising absence of Beldale Record and Swagger Stick.

Although there are only four runners for the day's feature event, the Bass Special Chase, the Tennent Caledonian Breweries race is another event worth seeing.

Cancello will be trying to concede from between three and 29 lb to his three opponents, Bishop's Pawn, Current Gold and Fair View.

He may do so, but my narrow preference is for Current Gold, who looked a high-class chaser in the making when toying with Satalis and Durham Town at Hexham late last month.

The Horserace Betting Levy Board today publishes a revised code of practice for the control of contagious equine metritis for the 1979 covering season.

The code has been revised by the Board's scientific committee, under the chairmanship of Professor Sir David Evans, following experience gained during the 1978 breeding season, and contains a factual account of the measures taken this year to control it.

Distribution of the code of practice to breeders is being undertaken by the Thoroughbred Breeders' Association.

AYR
1.15—Forest Guard
1.45—Chokwaro***
2.15—Current Gold*
2.45—Drink Up
3.15—Legal Extraction
3.45—Glen Corrib**

Princess opens newspaper plant

PRINCESS ALEXANDRA opened the new £5m plant of Northampton's evening newspaper, the Chronicle and Echo, yesterday. The plant, which houses some of Britain's most advanced printing equipment, employs 280 people.

† Indicates programme in black and white

BBC 1

[illegible] am For Schools, Colleges. 12.45 pm News. 1.00 Pebble Mill. [illegible] 2.00 You [illegible] 2.14 For Schools, Colleges. 3.20 [illegible] 3.53 Regional News for England (except London). 3.55 Play School (as BBC 2 [illegible]). 4.20 [illegible] 4.25 Jackanory. 4.40 Screen Test. 5.05 John Craven's Newsround. 5.10 The Record Breakers.

5.40 News
5.55 Nationwide (London and South-East)
6.20 Nationwide
6.50 David Essex (London and South-East)
7.20 James Burke's Connections
8.10 Dallas
9.00 News
9.25 Play For Today
10.55 Tonight
11.35 Roads in Conflict
12.00 Weather Regional News

All Regions as BBC1 except at the following times:

Wales—10.00-10.20 am [illegible] Ysgolion. 5.55-6.20 Wales Today. 6.50 Heddiw. 7.10 Pobol y Cwm. 7.40-8.10 It Ain't Half Hot Mum. 11.25 Dechrau Siarad. 11.50 News and Weather for Wales.

Scotland—5.55-6.20 pm Reporting Scotland. 6.50 Tom and Jerry. 6.55-7.20 Ballad Folk. 10.45-11.25 Tuesday Night. 11.50 News and Weather for Scotland.

Northern Ireland—3.53-3.55 pm Northern Ireland News. 5.55-6.20 Scene Around Six. 6.50-7.20 Children And Their Music. 11.50 News and Weather for Northern Ireland.

England—5.55-6.20 pm Look East (Norwich); Look North (Leeds, Manchester, Newcastle); Midlands Today (Birmingham); Points West (Bristol); South Today (Southampton); Spotlight South West (Plymouth). 6.50-7.20 East (Norwich) Spot On; Midlands (Birmingham) Action: 78; North (Leeds) Lifelines; North East (Newcastle) Tuesday North; North West (Manchester) Sit Thi Deawn; South (Southampton) Tusden on Location; South West (Plymouth) Peninsula; West (Bristol) Day Out.

BBC 2

10.30 am Working for Safety
11.00 Play School
2.30 pm The Engineers
3.00 Propaganda With Facts
3.30 The Living City
4.45 Open University
5.35 News on 2 Headlines
5.40 Schubert 1797-1828
6.10 Tales from Hoffnung
6.20 "Dugame"
6.45 Mid-evening News
6.50 Empire Road
7.20 The Birds Fall Down
8.10 The Voyage of Charles Darwin
9.10 Wodehouse Playhouse
9.45 Man Alive
10.30 Floodlit Rugby League for the BBC2 Trophy
11.10 Late News
11.20 Schubert 1797-1828: Chamber music
12.05 am Closedown (Reading)

F.T. CROSSWORD PUZZLE No. 3,828

ACROSS
1 Take the [illegible] — like Aquarius (3, 3, 3)
7 and 28 An intimate associate takes half the day to finish (6)
9 Press, radio and TV need me to help in return (5)
10 He [illegible] the Athenians of being too superstitious (3, 4)
11 Try [illegible] in fruitless mixture (4, 2, 4)
12 Not [illegible] sound expertise (5)
13 Face pain with a swaggering manner (7)
15 [illegible] all right after a refusal (4)
18 "Of —— the pity of it, ——" (Othello) (4)
20 A couple of bachelors after the [illegible] street (3, 4)
23 [illegible] part of the river (5)
24 [illegible] start for supervision (9)
26 Porcelain costs nothing in Taiwan (4, 5)
27 A small quantity for an artist in a [illegible] (5)
28 See 7 across
29 [illegible] the Gunners in Wales (11)

DOWN
1 "[illegible] and [illegible] —— played at cards for kisses" (Lyly) (5)
2 Fragrant [illegible] in the opening (8)
3 Wish for some point in the story (5)
4 [illegible] in the headland (7)
5 Many honing perhaps for a roll of hair (7)
6 Until—and playing truant? (3, 2, 4)
7 Showy insect round the tree (6)
8 Not outlaws, but they come with the wife (2-4)
14 Tea for two in the dance? Try one more (3-3-3)
16 Scottish burgh gives entrance to West Country town (8)
17 Notice Quaker got inside by counterfeit coin (3, 5)
19 Sketch of unfashionable stock (7)
20 Withdraw sapper to the area (7)
21 Sweet to toy with (6)
22 Craze about information to be found in the ash-tray (3-3)
25 Beer comes up fit for a king (5)

SOLUTION TO PUZZLE No. 3,827

LONDON

9.30 am Schools Programmes. 12.00 Chorlton and the Wheelies. 12.10 pm Pipkins. 12.30 A Ripe Old Age. 1.00 News, plus FT Index. 1.20 Thames News. 1.30 Crown Court. 2.00 Afternoon. 2.25 Raffles. 3.20 Heart to Heart. 3.50 The Sullivans. 4.20 Get It Together. 4.45 Magpie. 5.15 Emmerdale Farm.

5.45 News
6.00 Thames at 6
6.25 Help!
6.35 Crossroads
7.00 Botanic Man
7.30 Charlie's Angels
8.30 The Upchat Connection
9.00 Fallen Hero
10.00 News
10.30 A House for the Future ... A Thing of the Past?
11.30 Thames Debate: "Can the Government Survive?"
12.15 am Close: A painting by Renoir with the music of Cesar Franck.

All IBA Regions as London except at the following times:

ANGLIA

1.25 pm Anglia News. 2.00 Houseparty. 6.00 About Anglia. 7.00 The Rolf Harris Show. 11.30 Westside Medical. 12.25 am Chapter and Verse.

ATV

1.20 pm ATV Newsdesk. 3.55 The Electric Theatre Show. 5.15 The Flintstones. 6.00 ATV Today. 7.00 Emmerdale Farm. 7.30 Fantasy Island. 11.30 Oscar Peterson Presents Bernie Selminsky. 12.00 Something Different.

BORDER

1.20 pm Border News. 2.00 Houseparty. 2.25 Rugby: Combined Services v the New Zealanders. 4.10 Cartoon. 5.15 The Sullivans. 6.00 Lookaround Tuesday. 7.00 Emmerdale Farm. 7.30 Fantasy Island. 11.30 Skating with Gina. 12.00 Border News Summary.

CHANNEL

1.18 pm Channel Lunchtime News and What's On Where. 5.15 Mr. and Mrs. 6.00 Report at Six. 7.00 Treasure Hunt. 7.30 Fantasy Island. 10.28 Channel Late News. 11.30 Pro-Celebrity Snooker. 12.10 am Commentaires et Previsions Meteorologiques.

GRAMPIAN

9.25 am First Thing. 1.20 pm Grampian News Headlines. 2.25 Rugby: Combined Services v the New Zealanders. 5.15 Mr and Mrs. 6.00 Grampian Today. 6.10 Country Focus. 7.00 Botanic Man. 7.30 Fantasy Island. 11.30 Power Without Glory. 12.25 am Reflections. 12.30 Grampian Late Night Headlines.

GRANADA

1.20 pm This Is Your Right. 5.10 What's [illegible]. 5.15 Crossroads. 6.00 Granada Reports. 6.30 Emmerdale Farm. 7.00 University Challenge. 7.30 Fantasy Island. 11.30 Dan August.

HTV

1.20 pm Report West Headlines. 1.25 Report Wales Headlines. 2.00 Houseparty. 2.25 Rugby: Combined Services v the New Zealanders. 4.10 Goofy Gophers (cartoon). 5.20 Crossroads. 6.00 Report West. 6.15 Report Wales. 6.30 Botanic Man. 7.00 Three Little Words. 7.30 Fantasy Island. 11.30 Code R.

HTV Cymru/Wales—As HTV General Service except: 1.20-1.25 am Penawdau Newyddion y Dydd. 4.20-4.45 Goglis. 6.00-6.15 Y Dydd. 10.30 Bywyd. 11.30-12.00 Looks Familiar.

HTV West—As HTV General Service except: 1.20-1.30 pm Report West Headlines. 6.15-6.30 Report West.

SCOTTISH

1.25 pm News and road and weather. 2.25 Rugby Union: Combined Services v the New Zealand All Blacks. 4.10 Cartoon. 5.15 Cartoon. 5.20 Crossroads. 6.00 Scotland Today. 6.30 What's Your Problem? 7.00 Emmerdale Farm. 11.30 Late Call. 11.35 Pro-Celebrity Snooker.

SOUTHERN

1.20 pm Southern News. 2.00 Houseparty. 2.25 Rugby: Combined Services v New Zealand. 4.10 Cartoon Time. 5.15 The Undersea Adventures of Captain Nemo. 5.20 Crossroads. 6.00 Day by Day including Southsport. 7.00 Emmerdale Farm. 11.30 Southern News Extra. 11.40 Pro-Celebrity Snooker.

TYNE TEES

9.25 am The Good Word followed by North East News Headlines. 1.20 pm North East News and Lookaround. 5.15 The Brady Bunch. 6.00 Northern Life. 7.00 Emmerdale Farm. 7.30 Fantasy Island. 11.30 The Bob Newhart Show. 12.00 Police Surgeon. 12.30 am Epilogue.

ULSTER

1.20 pm Lunchtime. 2.25 Rugby Union. 4.10 Cartoon Time. 4.18 Ulster News Headlines. 5.15 Cartoon. 5.20 Crossroads. 6.00 Reports. 6.35 The Mary Tyler Moore Show. 7.00 Emmerdale Farm. 7.30 Fantasy Island. 11.30 Bedtime.

WESTWARD

12.27 pm Gus Honeybun's Birthdays. 1.20 Westward News Headlines. 5.15 Mr and Mrs. 6.00 Westward Diary. 7.00 Treasure Hunt. 7.30 Fantasy Island. 10.28 Westward Late News. 11.00 Pro-Celebrity Snooker. 12.10 am Faith for Life.

YORKSHIRE

1.20 pm Calendar News. 3.20 Calendar Tuesday. 5.15 You're Only Young Twice. 6.00 Calendar (Emley Moor and Belmont editions). 7.0 Emmerdale Farm. 7.30 Fantasy Island. 11.30 The Bob Newhart Show. 12.00 Stars on Ice.

RADIO 1 247m

(S) Stereophonic broadcast
‡Medium Wave

5.00 am As Radio 2. 7.00 Dave Lee Travis. 9.00 Simon Bates. 11.31 Paul Burnett. 2.00 pm Tony Blackburn. 4.31 Kid Jensen. 7.30-10.00 As Radio 2. 10.00 John Peel (S). 12.00-2.02 am As Radio 2.

RADIO 2 1,500m and VHF

5.00 am News Summary. 5.02 Tony Brandon (S) including 6.15 Pause for Thought. 7.32 Terry Wogan (S) including 8.27 Racing Bulletin and 8.45 Pause for Thought. 10.02 Jimmy Young (S). 12.15 pm Waggoners' Walk. 12.30 Pete Murray's Open House in Birmingham (S) including 1.02 RAC Rally report and 1.45 Sports [illegible]

Music at St George's, Bristol (S). 3.15 Radio 3 Frequency Change (S). 3.20 Robin Holloway (S). 4.30 Master Cellists (S). 5.15 Jazz Today (S). 5.45 Homeward Bound (S). 6.30 News. 6.35 At Home: Hungarians play Franz Liszt (S). 7.30 Liszt and Schubert: Illustrated talk by Alan Walker (S). 8.00 Royal Concert for the festival of St Cecilia, part 1: Bliss, Wolf-Ferrari, Beethoven (S). 8.45 The Pursuit of Happiness in the 18th Century. 9.05 Royal Concert part 2: Walton, Dvorak (S). 9.55 The Prelude. 10.25 Cello and Piano recital (S). 11.15 Drama Now (S). 11.45 News. 11.50-11.55 Tonight's Schubert Song on record (1977).

RADIO 4

434m, 330m, 285m and VHF

7.20 File on 4: Zambia—Crisis in the Front Line. 8.00 Black Rhythm and Roots. 8.45 A Symphony of the Body (S). 9.30 Written on the Wind. "Kaleidoscope" considers the dramatic art of Peter Brook. 9.59 Weather. 10.00 The World Tonight. 10.30 The Jason Explanation of Failure (S). 11.00 A Book at Bedtime. 11.15 The Financial World Tonight. 11.30 Today in Parliament. 12.00 News.

BBC Radio London

206m and 94.9 VHF

5.00 am As Radio 2. 6.30 Rush Hour. 9.00 London Live. 12.03 pm Call In. 2.03 206 Showcase. 4.03 Home Run. 6.10 Look, Stop, Listen. 7.30 Black Londoners. 8.30 All That Jazz. 10.03 Late Night London. 12.00 As Radio 2. 12.05 am Question Time

London Broadcasting

261m and 97.3 VHF

Capital Radio

194m and 95.8 VHF

Bush

A Greenish Man by B. A. YOUNG


Leonard Burt
Paul Kember and Dudley Sutton

Snoo Wilson's 80-minute one-act play, which you might describe as a comedy-thriller, is in fact a television play, and for once the programme is honest enough to say so. But the imaginative production by Dusty Hughes is truly theatrical—indeed brilliantly theatrical, the movement between the areas of the composite set achieved without the least interruption of the smooth continuity of the narrative.

Troy, who has been six months in hospital with lead poisoning from work at O'Malley's paint-factory, comes back to demand compensation and finds himself among a mad party of IRA conspirators. Only one of them is better than half-hearted, and he is officially dead. Young Patrick O'Malley, an expert bomb-maker who blew himself up, actually survived, though without his legs. As a wanted man, he has to be concealed in his father's paint-works.

There is no hope of compensation, for the business has dwindled into bankruptcy and O'Malley's brother George, who keeps the pub next door, wants to buy the premises. Troy is taken on with the gift of a formula for making green paint out of grass; but his real function is to murder Patrick at a dinner of IRA supporters, thus setting the factory free. Other guests at the dinner are Troy's separated wife and her new friend, an American who has been supporting the IRA from Berkeley University without really knowing what the movement is about, and George's little daughter Deidre.

From this material Snoo Wilson weaves an evening of comedy and of tension that never slackens for a moment, even when we are following apparently parenthetical paths for fun, or watching Deidre (Elizabeth McKelvie) do an Irish dance on the table. What looks like extraneous matter always turns out to have a practical function: the play is one of the best-constructed short pieces I have seen for some time.

It is admirably played by all the company—Paul Kember is the thick-witted Troy, Dudley Sutton, smothered in green paint, is O'Malley, Denis Lawson the gentlemanly rebel Patrick. The complicated set occupying most of the theatre is designed by Grant Hicks. I recommend the evening warmly.

Royal Academy

Discovering El Dorado

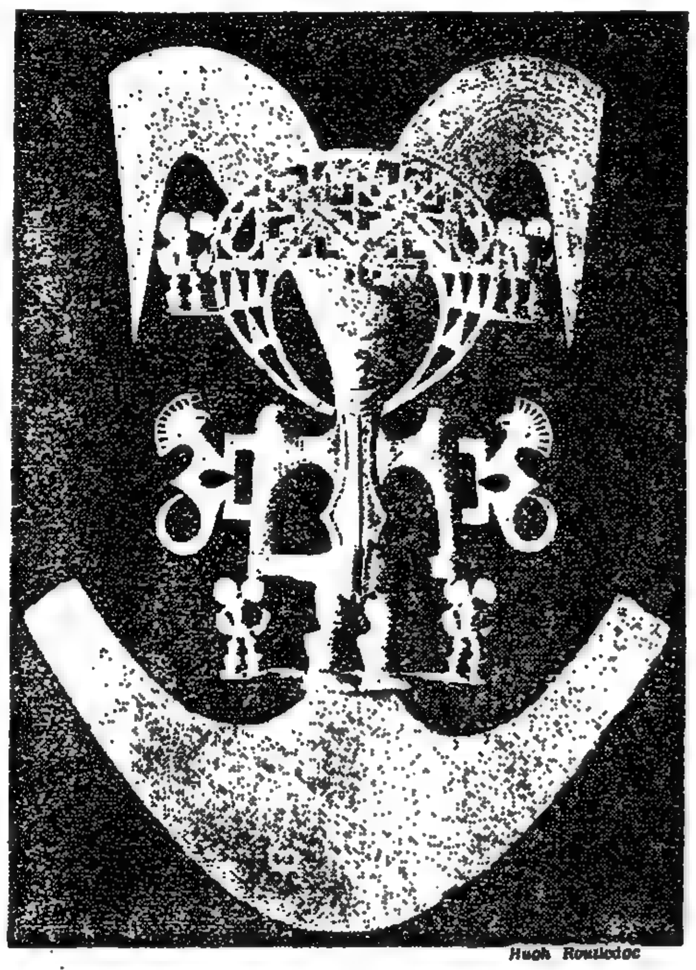
by ANTONY THORNCROFT

"Gold is what gave them breath: For gold they lived, and for gold they died." So wrote Juan de Castellanos in the late 16th century about the Indian miners for gold in the Buritica region of Colombia. His comment could easily have covered the Spanish adventurers who, after destroying the Aztec culture of Mexico and the Inca civilisation of Peru in their pursuit of gold, concentrated on Columbia, such a rich source of the mesmeric metal that it supplied the reality for the legend of El Dorado.

The Spaniards found Colombia both more rewarding and more frustrating. Gold was everywhere: the natives dressed in little else, and there were 11 distinct and important gold working regions in the country which had been developing an expertise in the metal since the time of Christ. But there was no centralised government which could be taken over complete and exploited. The gold had to be captured tribe by tribe, even family by family. Much of it was already hidden away, buried in graves with the dead owners. "Other clergy bury the dead, but this vicar dug them up," writes a commentator of the 1550s about a Spanish priest, more anxious to accumulate riches on earth for himself than save souls among the heathen. The tradition of robbing graves in Colombia is big business even today.

Some of the pre-Conquest gold can now be seen in London, at the Royal Academy, from today until March 18, 1979, in an exhibition presented by Benson and Hedges, the Times Newspapers, and the Royal Academy itself, entitled The Gold of El Dorado. The Museum of Gold in Bogota has supplied the majority of the items, but this is not a dull procession of gold objects buried beneath glass. An attempt has been made to re-create the pre-Columbus civilisation of the region, placing gold within the Indian society. It is a wise decision. In itself, as gold nose ornament follows gold ear ornament, the mystique of the metal dissolves quite rapidly, especially as it was used for utilitarian as much as ceremonial purposes. The excitements in the exhibition are not the rare and precious objects but the evocation of the people that created them.

After a procession of rather claustrophobic rooms, not far removed from venturing down your personal gold mine, the display opens out into a celebration of Muisca life, the Muisca being the tribe which created El Dorado. There is a native hut, enlivened with jungle noises and the throb of drums, and here the objects become more real, not just ceremonial gold, but wooden spears, a deformed skull narrowed to follow the fashion of the day, and a bag for coca leaves, the drug which dominated both the routine life and the ritual of the tribe. Then, after another room devoted to the differing styles of gold work of the regions, reality strikes again with a celebration of native death and after life. There are mummified bodies and the re-creation of a burial chamber, complete with the golden funerary mask and other golden needs for the next world. And here are some of the most impressive objects of the exhibition, the burial urns where the remnants of the dead were deposited, not made of gold but of rough pottery yet remarkably alive and poignant, with their expressive carved faces and suppliant arms.


Hugh Routledge
A pectoral figure with head dress

Not that all the gold objects are routine. The gold pectoral design illustrated here, a figure with an elaborate head dress, typifies the minute craftsmanship which was so widespread. And although it is a replica of the original, still confined in Bogota, the finely worked votive offering — depicting the El Dorado ceremony when the ruler of the Muiscas is taken on a raft to the centre of the lagoon of Guatavita where he is stripped and covered with gold dust—catches the pomp and the importance of the occasion to the native mind. He then threw into the water gold and jewels and thus sparked off the legend and the centuries-long search for El Dorado, which, in its practical form, involved European technological skill in draining the lagoon for its treasure. Much was recovered, much still remains, now protected by the Colombian Government. It is such human glosses on the gold which give this neat, not too large, display its appeal. The eye-catching images may be few, but the insights into a totally alien and little-known culture are great. A catalogue should be acquired and consumed before venturing into the six well-defined rooms.

Elizabeth Hall

Adelaide di Borgogna

by MAX LOPPERT

By strange and happy coincidence, three of the four Rossini operas given their first performances in 1817 have been presented in London, on chronological order, over the last month. If 1817 was not, for Rossini, an *annus mirabilis* of universally acclaimed masterpieces, it was still an extraordinary year of production. *Cenerentola*, the *dramma giocoso*, and *La gazza ladra*, the *opera semiseria*, had great successes; *Armida*, an *opera seria* (and the work missing from our London list) had only a moderate one. *Adelaide di Borgogna*, a *dramma* in two acts written for Rome, failed, and was soon withdrawn. It has gained, in most of the Rossini studies, the position of most derided opera—in Toye's words, an "extremely tiresome, medieval melodrama (that) has nothing to recommend it." It was, presumably, to put just such received opinion as this to the test that Pro Opera mounted its concert performance on Sunday evening, providing *Adelaide* with its first airing in modern times.

What emerged was of an uneven quality to suppport the supposition that Rossini's attention was not fully engaged upon its composition; but the music is by no means negligible all the way through its course. The listener with the radiant comic humanity of *Cinderella* and the remarkable comic-tragic fusions of *The Thieving Magpie* still fresh in his memory must inevitably find its libretto (a thin, jerkily plotted affair by Giovanni Schmidt) dull and disappointing: and, in this light, the predictability of the *opera seria* conventions seems at first like a retrograde step.

Even so, one of the unfailingly enjoyable things in the fresh discovery of any Rossini serious opera is the resource with which the composer adapted his familiar formulae to the task in hand; and in *Adelaide*, even when inspiration is running at an only moderate temperature, resource is still everywhere apparent. The opening trio, for Adelaide and her adversaries, bass-father and tenor-son, may not offer any unusual touches of melodic interest; yet one notes the detail by means of which a serious tone is set—the careful use of solemn unison strings, say, or, in a new *cantabile* section, the noble sound of the soprano voice as it strikes out above a bare accompaniment.

Adelaide (soprano) and her warrior lover Ottone (mezzo) may be no more than rough sketches for the later Semiramide and Arsace; but in their arias and duets there are many beautiful things: notably a melancholy *cor anglais* obligato at one point, an imitative duetting of soprano and oboe at another. The ensemble music is carefully and fully worked—the expansive way in which vocal quartets grow out of and back into the choruses, and voices twine in duet and trio after their introductory statements, is the mark of a master, even on an off-day.

One would have liked a cast to be made for the work's dramatic, as opposed to its purely musical, worth. For that, a conductor with a more certain control over his forces, a less fallible method of sustaining tempi and articulating orchestral texture was needed — Leslie Head and his Pro Opera Orchestra were always valiant, but often flaccid and insufficiently assertive of rhythm. Two well-tried Rossinians led the cast in fine style: Della Jones, following her recent Cinderella and *Magpie* Ninetta with Ottone (was there perhaps a shade of tiredness on her tone?) and Eiloddwen Harrhy as Adelaide, in limpid, colourful voice apart from one or two edgy forays above the stave.

There was much difficult florid music for all to sing: both demonstrated their easy and always expressive mastery of it. The Peruvian tenor Ernesto Palacio made a pleasing impression as the tenor; there is not much character to his voice, but it moves sweetly and cleanly, and with admirable agility. Roderick Earle, a slightly raw but distinctly promising young bass, and two superior *comprimarii* in Armistead Wilkinson and Penelope Walker, completed the cast.

Hayward Gallery

The German perspective

by WILLIAM PACKER


Portrait of Eduard Plietzsch, 1928 by George Grosz

There has been abroad for some years now a most lively and useful scholarly curiosity concerning the art, both European and American, of the earlier decades of this century; and the consequent adjustments, revaluations and revivals that have been forced upon us have been exciting and fascinating.

In particular, the received wisdom that Paris was the natural, inevitable source of all significant development has been vigorously and successfully challenged, her assumed and jealously defended pre-eminence now seen to be a tribute quite as much to her style and confidence as to her actual achievement: she was important, of course, but she was not alone. And it has become increasingly clear, moreover, that while the English, the Americans and the Italians were up to many interesting things in the outfield as it were, the German action was as hot as any.

In little more than these past 12 months a series of ambitious and sometimes magnificent exhibitions has confirmed the point, the vast Council of Europe exercise in Berlin last year most of all, which exhaustively set out the tendencies of the twenties in a group of related shows: and we should also remember the Dada and Surrealism festival in London last spring, and more recently the Paris-Berlin exhibition at the Centre Pompidou in Paris. On more modest a scale, but significant nevertheless, the *Cityscape* and *The Modern Spirit* exhibitions also made their mark.

Now the Arts Council has carried on the good work by inviting Dr. Wieland Schmied, whose subject is the realist painting of the period, and who has played a major part in this recent flurry of exhibitive scholarship, to concentrate our attention for the first time specifically upon what is known as the *Neue Sachlichkeit* that flourished, if that is the word I want, in the Germany of the Weimar Republic, and is now recognised as being a particularly distinctive contribution to European Art between the wars.

In common with most such labels, the usefulness of which is not always a function of their precision, this one should not be read too closely: for Objectivity, Reality and Detachment, all proffered as possible meanings of the word *Sachlichkeit*, each invites an infinitude of semantic quibbling. When so much of the work it embraces is manifestly partial in the view it offers of humanity, openly political and vehemently satirical in its social commentary, and wilfully idiosyncratic in both imagery and treatment, the New Objectivity, or whatever you choose, of the title may be seen to be no Objectivity at all. But the Play, in this case the *Exhibition*, remains as ever the thing, names and classification notwithstanding: and this one contains more than enough matter to trap anyone's conscience. It is indeed among the most exciting and extraordinary to have come to London in an age when important shows have become almost commonplace.

It is a large show, made up in essence of seven related displays of the work of single artists, but filled out with a large section of photography, a smaller group of foreign work, most of it French, to provide some external reference, and a certain amount of lesser material. To get the carping out of the way: the photography, as it is shown here, is perhaps a mistake for as it stands there is too much of it, and yet the photography of the period is so important that we want to see more.

In the circumstances I would rather have had a quite separate and extended exhibition in place of the Caritier-Bresson upstairs, excellent though that most certainly is. Otherwise a reduced and concentrated display to maintain the concentration built up by the paintings thus far would have done very well. The show is quite big enough, and some slimming would not have hurt it: which takes care also of the secondary complaint, that some of the minor work towards the end of the circuit is not really good enough, nor even particularly interesting art—historically. The pace slackens too much once we leave Schlichter until the amazing Schad makes us jump almost at the very end.

But these are comparatively minor points, in no serious way detracting from the exhibition's almost excessive virtues, foremost among which is the chance it gives us to see in some strength the work of evidently major figures who have yet remained all but unknown to us in this country. Karl Hubbuch, Rudolf Schlichter, Christian Schad and Franz Radziwill are artists of whom we should have known long ago, but never asked: we are fortunate to be told now in such full and graphic detail.

Of Otto Dix, too, we should have seen a great deal more, though he does at least appear in all the histories. He tends, however, to be given only passing consideration, always put in the shadows of George Grosz and Max Beckmann. It is very much to Dr. Schmied's credit, therefore, that he should have had the nice discretion, without at all putting down those two great artists, to bring Dix out into the light and to give him the floor. The show of his work here is quite unprecedented in this country, both copious and of extremely high quality, and quite rightly it dominates the entire exhibition. Dix reveals himself as a figure of great importance, not one to be ignored quite so easily again.

His work is extraordinary, superficially with much in common with that of Grosz, the same pre-occupation with violence and corruption, the same prescient characterisation of German society: but it is more extreme in its imagery, and rougher, cruder, more active in its handling. Whereas Grosz is coldly, bitterly political, Dix evinces a more desperate and fundamental despair at the loathsomeness of humanity itself. His whores and cripples and deformed lovers are mode the more terrible by the delicacy and finesse of his drawing and handling of the paint, and the unforgiving sharpness of his eye. The range of his major portraits is unforgettable in its accumulative psychological intensity, the harsh, brilliant and witty *Journalist* at one end, the oddly compassionate *Pregnant Woman* at the other.

The show does in fact begin with Beckmann, with three splendid self-portraits and a fine run of figure drawings among other things, but he is known to us, and there are no surprises; and the same is true, in his very different way, of the Grosz section that follows, in which the somewhat later portrait of Eduard Pliezsch is outstanding, and most useful in preparing us, by its more freely expressive handling and its sombre mood, for the psychological expressionism of Dix.

Overall, though, the painting of the *Neue Sachlichkeit* most certainly makes clear its peculiar virtues and characteristics, its final identification is with rather wider and older a tradition, not merely with contemporary expressionism or Dada, nor even with the symbolism from which they sprang, but that old Northern tradition that goes back on the one hand to the physical passion of Grunewald, the surrealism of Breughel and the metaphysics of Cranach; on the other to the more dispassionate realism of Holbein, Durer and earlier, the Flemish masters. Art has a curious way of coming together in its variety.

Festival Hall

LPO/Haitink by ARTHUR JACOBS

Whether anyone invoked the Trade Descriptions Act, and demanded a refund at the box-office I cannot say. But certainly the promise on the posters of "Overture and Ballet Music, *Prometheus*" was not fulfilled on Sunday evening. Instead of the 16 numbers which Beethoven wrote for this ballet (and which it would be interesting to hear occasionally in complete form) we were regrettably cut down to three. One was the vigorous finale using the tune to which Beethoven returned in the final of the *Eroica* symphony.

Equally regrettable, and more surprising in view of the high standards which Bernard Haitink has established as principal conductor of the London Philharmonic Orchestra, was the poor execution. There were many examples of a failure to realise Beethoven's sudden contrast between loud and soft, of poor balance (a solo cello entry was blanketed out), of less than unanimous attack. Perhaps the demands imposed in rehearsing Stravinsky's *Dumbarton Oaks* concerto, a work for 15 players not usually included in a symphony orchestra's series, robbed Beethoven of due preparation.

But Beethoven received his due in the performance of the Piano Concerto no. 3 with Jean-Bernard Pommier as soloist. A fine precision of rhythm, a subtle ear for the shaping of phrases, and an aptitude for dovetailing his part with that of the orchestra—such were the clear characteristics of this interpretation. A failure to produce true *pianissimo* in the opening chords of the slow movement was the only lapse in Mr. Pommier's artistry.

Dumbarton Oaks is, I have to confess, one of those pieces of that period of Stravinsky's life (1938) which still strike me as both enigmatic and perverse. I like neither the supposed "homage" to the bygone baroque, nor the specific modernities. Yet I may compliment Haitink on the rhythmic clarity and lively spring of his performance. To have a perceptible pause between the first and second movements (instead of the composer's *attacca*) is surely wrong, however; what is nominally written as the end of the first is harmonically the beginning of the second, or it is nonsense.

It is notable, and no doubt heartening, that the presence of a Stravinsky item of this kind does not apparently lessen the orchestra's ability to fill the hall (almost) with a programme otherwise built on the solid appeal exerted by the names of Beethoven and Mozart. The Mozart was the *Jupiter* symphony rather heavily delivered. This was an evening when Mr. Haitink left me less exhilarated than he usually does.

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Germany set for growth

THE SUCCESSFUL political compromise on West Germany's reflationary package, announced at the end of last week, is a further indication that the country is set for a phase of steady expansion. There was never much doubt that the Government would reach agreement with the Opposition, whose approval is necessary for the package to pass through the Bundesrat. But Herr Schmidt almost certainly wanted to wait until he could see more clearly where the economy was heading.

Now that the Government is apparently confident that the emerging economic upswing will generate increased tax revenue, it feels better able to agree to increase the overall volume of the package along the lines demanded by the Opposition. At £8.8bn, the final package, largely composed of tax measures, is somewhat larger than originally announced in July as Bonn's contribution to world economic recovery.

Vital elections

Bonn has been slow to acknowledge that a sustained upswing is really getting under way. The Government has burned its fingers in the past by announcing economic recovery too early, and the Opposition was not going to spell out the message at a time when the country was facing vital provincial elections. It is true, too, that the year started badly with a poor first quarter and considerable doubts about the second. Both the Finance Ministry and the Bundesbank have been concerned not to provoke inflationary expectations by talk of a boom—although by last month the Bundesbank felt confident enough to conclude publicly that the "indispensable pre-requisites" existed for self-sustaining economic growth.

The reflationary package should, of course, help to maintain the upswing. But its impact has already been taken into account in the optimistic picture for next year now being portrayed by both Government forecasts and those of the five economic institutes. The consensus is that real growth should reach 4 per cent in 1979 (against this year's 3 per cent), with an inflation rate of 3.5 per cent. That means an increase of 1 per cent over this year's likely 2.5 per cent inflation rate, but it should not be enough to set the alarm bells ringing.

Increasing business confidence is indicated by buoyant demand for investment goods, and nearly all industries are reporting higher orders and raised output. The outlook remains bleak for crisis sectors like iron and steel, mining and shipbuilding and it is unlikely that the reflationary package will do them much good given the international nature of their difficulties. But construction, the car industry and mechanical engineering all seem to be heading firmly in the right direction.

The package, given its emphasis on tax relief, will put more money into the average citizen's pockets. In the light of past experience, there can be no guarantee that the extra cash will not go straight into a savings bank or be spent on holidays abroad. But industry will welcome the abolition of the payroll tax in 1980, even if it is not yet clear how local authorities are to recoup the income they will lose when it goes. Industry's main complaint is the 1 per cent increase in VAT due next July, by which means, it argues, the Government is taking away with one hand what it gives with the other. The non-tax elements of the package, such as increased spending on research and development and further aid for West Berlin, are not likely to be of major economic significance.

Main concern

The Government's main concern remains possible overstraining of the capital market, concern that has been heightened by the U.S. decision to issue foreign-denominated loans as part of the campaign to rescue the dollar. But Bonn can hardly complain on this score as it has long urged such action and has every interest that the dollar should not weaken further. Indeed, Bonn has few grounds for complaint on any score—aside from the continuing high level of unemployment. It looks as if the country is moving into the sort of period of stable growth that is the traditional aim of West German politicians and economists. Next year if present signals prove right could turn out to be the best for West Germany since the oil crisis.

Profits and investment

TRADE UNIONS want investment because it creates jobs. Companies invest when they think they can make a profit out of it. This is a perfectly normal difference of viewpoint; as long as unions understand and accept what companies are in business for, there is no reason why it should lead to friction or misunderstanding. The difficulties start when unions refuse to accept the assumptions on which the companies' investment plans are based. In the petrochemical industry the union representatives on the sector working party believe that the companies are being far too pessimistic in their market forecasts and too timorous in their capital spending; to make matters worse, some of them are investing heavily outside the UK. The manufacturers, in the unions view, are undermining the industrial strategy: the Government should consider withdrawing the "massive subsidies" which the industry enjoys unless it agrees to a more ambitious investment programme.

Strategy

That this row should have become public is perhaps no bad thing, since it may help to focus attention both on the factors which underlie investment decisions and on the role of the sector working parties. These bodies were set up under the auspices of the National Economic Development Office as part of the Government's industrial strategy: the idea was that representatives from the trade unions, management and the relevant Government departments would join together in examining ways of improving the sector's performance.

Because the sector working parties are associated with the industrial strategy, there is an understandable desire—especially on the unions' side—for them to take strategic decisons. The unions hope that the companies' investment decisions will be different from what they would have been if the sector working party did not exist. These expectations may have been heightened by the failure of planning agreements, which were seen as a means of enabling unions to play a more active part in companies' investment decisions.

In practice individual investment decisions are the very last thing which the management representatives are willing to discuss within the secor working party. They are, after all, in competition with other companies represented round the table: they have no intention of disclosing their forward plans. It is possible for the sector working party to commission outside consultants to make a market survey, as was done in the petrochemicals case, but the companies cannot be compelled to accept the consultants' conclusions.

It is questionable whether a sector working party can make much of a contribution to an industry's overall investment strategy. A more constructive role is to identify those specific obstacles which are holding the industry back and to examine ways of removing them. Some of these might involve government policy: a common front by management and unions, through the sector working party, can sometimes change it. Another central issue concerns productivity and labour utilisation, but union representatives are often as reluctant to be engaged in specific discussion of these matters as management is on investment decisions.

Sector working parties are not going to bring about the transformation of British industry. Their ability to influence what goes on in individual companies is extremely limited and it is better that their limitations should be accepted by all the participants. What they can do — and this is not negligible — is to contribute to greater mutual understanding of an industry's problems and thus to improve the climate in which those problems can be tackled. If one of the keys to the UK's economic future is a wider appreciation of the connection between profits, investment and jobs, then the sector working parties have a role to play. The confrontation which has occurred in the petrochemicals groups shows how much educational work still has to be done.

KME TO RETURN TO PRIVATE OWNERSHIP

BY JOHN ELLIOTT

The workers' co-operative: a political own-goal

THE FINANCIAL troubles of the Kirkby Manufacturing and Engineering Workers co-operative on Merseyside and the plight of the 700 workers involved have for more than four years been a political issue of a magnitude out of all proportion to their importance to either the national economy or the problems of the local Liverpool region.

During this time the co-operative, which is on the brink of being returned to the private sector if various problems are ironed out during the next two weeks, has been used as a political football by its supporters in the tussle constantly being waged within the Labour Party about the future of its industrial policy, and in particular over industrial democracy and the proper function, in socialist terms, of the National Enterprise Board.

While the political achievement of KME to stay alive so long has been considerable, its problems have brought an unfortunate spotlight on to the development of worker co-operatives. Its inability to overcome managerial and other problems has provided opponents of new forms of industrial organisation with an easy target. (This is in spite of the fact that the business is not regarded by many people associated with the co-operative movement as a true co-operative because it is State-funded, with little real employee participation in its ownership or management.)

Last week a Department of Industry working party report proposed that the co-operative, which lost £700,000 between April and September, bringing its total losses to some £3.5m., should be taken over by Worcester Engineering. Worcester, which would occupy two-thirds of its factory, is a small, Midlands-based, oil-fired boiler and central heating manufacturer. Its operations complement KME's main business of making central heating radiators. KME offers the company a quick means of expansion to compensate for the losses it has suffered as a result of oil price rises hitting its boiler sales.

During the past four years KME has received some £5.5m State aid, and the working party backed Worcester's proposal that a further £4m should be injected by the Government (£3m in Government-held preference shares), plus a further £4m by Worcester itself, mainly funded through a Barclays Bank overdraft. The Government's independent Industrial Development Advisory Board gave this qualified approval last week but was worried about the security of the funds and the technical and other abilities of a small company to tangle successfully with KME. Talks are now in progress to iron out such problems and also to devise a legal solution to the novel problem of how a company acquires the assets of a co-operative.

But KME's leaders, especially Mr. Jack Spriggs, a former senior and militant Amalgamated Union of Engineering Workers' shop steward who is now one of two convener directors, would rather be taken over as a co-operative by the NEB. He also sees the NEB as a fall-back solution if the Worcester bid falls through. However, both the NEB and the Government have rejected such a notion.

The Government is not even prepared to let its proposed preference share holding in Worcester to go to the NEB, even though its share in other "lame ducks" such as BL and Alfred Herbert have been passed to the NEB, and the NEB has been given a role both in helping small businesses and in developing the Liverpool region where it has a local office with its own regional board.

The hub for the political activity is Mr. Anthony Wedgwood Benn who, when Industry Secretary four years ago, overruled his top civil servants and industrial advisers and invested £3.9m of Government money in creating the co-operative whose previous owners, International Property Development (Industrial) had been put into receivership by Barclays Bank (ironically now involved in funding Worcester Engineering).

A short life

Around the same time Mr. Benn helped create two other controversial co-operatives. One was the Scottish Daily News which had only a short life. The other is the Meriden motor cycle co-operative near Coventry which is now facing its own financial problems but is generally looked on with more favour than KME because of the image of its product and because it is not blighted with a militant Merseyside tag.

The political issue in which KME is now caught up is the future of Benn-style interventionist industrial policy in the next general election campaign (coupled with the future of the relatively non-interventionist NEB) given the slow progress being made by the Government on industrial democracy. The picture of what is virtually a State-owned, shop steward-managed factory in a 12½ per cent unemployment region being given back to the private sector with the carrot of further State cash is too easy a target to be missed by Mr. Benn and his supporters, especially two Merseyside MPs, Mr. Eric Heffer and Mr. Robert Kilroy Silk, and Mr. Bob Cryer, the junior Industry Department Minister, who resigned last night over the issue.

Hugh Routledge

Mr. Dick Jenkins (left) and Mr. Jack Spriggs (centre) the convenor/directors of the KME workers' co-operative, with the Industry Minister, Mr. Alan Williams, at Thursday's Press conference reporting on the Industry Department's working party.

The political twists in the saga of KME are only the most recent upsets in an 18-year-old history of industrial crises, mismanagement, and labour unrest that have dogged the vast 335,000 sq ft factory since it was built in 1960. Located on the fringe of the now depressed Kirkby industrial estate, it was to have been a British Motor Corporation showpiece. BMC's Fisher and Ludlow subsidiary was its first occupant producing domestic appliances. A 3,000 workforce was planned for the 28-acre site, but there have never been more than 2,000 and now there are only 720, of whom 260 will soon get immediate redundancy notices.

Since 1960 it has changed owners, management, company name and product line with frightening rapidity. BMC's troubles in the mid-1960s, when the factory was making losses, led to its sale to Parkinson Cowan which sold it to Thorn. Then Thorn sold it to International Property Development (Industrial) in 1972 after a sit-in and intervention by the then Mr. Harold Wilson, a local MP and leader of the Opposition.

Its products have switched from Bendix washing machines to kitchen sinks, Moulton bicycles, gas cookers, washing machines, storage heaters, fruit juices, central heating radiators and contract press work for motor manufacturers and other customers.

Today the factory has some importance to one sector of the UK economy, perhaps for the first time in its life, because its main products are "Toprad" domestic radiators. Developed from a Potterton radiator bought by IPD in 1972 from De La Rue, this now has 10 per cent of the UK market at a time when there is strong import competition from Italy and elsewhere. But the factory's poor prouctivity and lack of product development make it a weak competitor, and its importance could rapidly decrease when other UK radiator manufacturers such as Metal Box's Stelrad and Myson expand their own output next year. Its models will also become out of date, especially when facing Continental "finned" radiator competition. Last week's working party estimated that, to give the business a five-year life, either a £3m new radiator plant or a £1m modernisation of existing facilities is essential.

The co-operative's main continuing problem has been lack of cash to meet overheads, and lack of effective management. At present 720 people are rattling around in a vast factory built for 3,000, and at least a third of the floor space is unused while the main office block is only half used. Militant elements in the workforce who backed Mr. Spriggs in his fights with former owners are still employed and, to quote one old hand, "those people have let Jack down and don't want to make the place work."

Problems gradually came to a head earlier this year by which time Mr. Benn's initial £3.9m grant had been topped up by a £700,000 temporary employment subsidy and a further "final" £860,000 grant in 1977. A £600,000 National Westminster overdraft limit has been reached, and there are £800,000 debts to British Steel, the Inland Revenue, and HM Customs and Excise.

Abortive plans

Throughout this year Mr. Spriggs and his allies have been frequent visitors in the London offices of the Minister of State for Industry, Mr. Alan Williams, and of his civil servants. Various abortive rescue and takeover plans have been studied, some rejected by the Industrial Development Advisory Board — and others by the Cabinet itself. These include a £2.9m development proposed for the co-operative by PA Management Consultants.

By the end of August the situation had reached crisis point and on September 11 the co-operative might have gone into receivership and then been taken over by Stelrad had the Prime Minister not said a few days earlier that there was not to be a General Election. This removed the immediate risk of the co-operative dying under an unfriendly Conservative Government, and Mr. Spriggs used the fact that Stelrad had refused to be named as the likely bidder as an excuse to shy away from the receivership solution and pester the Labour Government for a new lifeline.

His efforts continued through September till the eve of the Labour Party's annual conference. Then the fear of KME becoming the cause for a battle over both industrial policy and the power the conference should have over a Labour Government's actions persuaded the Prime Minister personally to over-rule some of his Cabinet colleagues and authorise the creation of the working party whose report appeared last week. Had he not done so Mr. Benn and his allies were geared to try to force through the conference a resolution demanding that the co-operative be taken into public ownership, insisting that on this issue the Government should obey the conference.

KME was thus once again at the centre of political intrigue, not because of its official status as a workers' co-operative but because of its symbolic importance. Indeed last week's report underlined its limitations as a co-operative by saying it was "not a co-operative in the sense that this term would be understood by the Co-operative Movement as a whole—communication between 'management' and the shop floor in KME seems no better and, in some wass, worse than in most other companies."

The co-operative's leaders recognise this and suggested to the working party that they should reform the constitution along more democratic and co-operative lines by setting up an advisory consultative committee that would meet regularly, plus a supervisory "control board" of worker and Government (or NEB) nominees. The actual worker ownership aspect would however have remained in its present very limited form of each worker holding just a single £1 share.

Mr. Spriggs and his colleagues accept also that they have ducked major decisions in the past year. They know they should have appointed a chief executive (at perhaps £15,000 a year compared with the present top managerial salary of about £7,000), and that they should have raised their radiator prices much more sharply. They should also have improved marketing and engineering expertise, while a bonus scheme has also been needed to raise poor productivity levels. They also allowed 135 workers who became surplus when fruit juice and night storage heater production lines were shut earlier this year to remain on the pay roll. But in their self defence they can rightly say that no-one, from Mr. Benn onwards, offered them detailed constructive advice in their early days on how to run their State-backed factory and they were left severely alone to cope on their own.

The role of unions

Despite poor productivity however, industrial relations have not caused problems, although the existence of wage restraint policies for most of the co-operative's life has saved it from pay bargaining pressures, which in turn has saved it from trying to define the role of trade unions in a co-operative.

So while KME may not be a perfect co-operative, it has at least been a brave and determined attempt by some of the workforce to buck the local trend and stay in their jobs in a factory that suffered from poor overall corporate direction and day to day management from 1960 onwards. The co-operative started life as a defensive action by its workers who simply wanted jobs, and was fostered by left-wingers who, as Mr. Jo Grimond, the former Liberal leader, put it last week, like the idea of "Government funded syndicalist enterprises." KME is thus quite different from the more idealistic sort of co-operatives, based on the workers involved taking a financial stake in the enterprise, that are now being backed by Mr. Grimmond and various institutions and organisations.

MEN AND MATTERS

World-wide ripples at Minehead

Surely more than 100 news releases on a single story in a day must be a record? I asked the Press Association last night. But then that number of takes from the Thorpe hearings was swamping news desks but the Press Association replied "We ran up to 120 during the Steven Ward hearings." They added: "We would be putting out more if our journalists were not involved in an industrial dispute."

But attention is not confined to Britain. The case is attracting "a great deal of interest in the U.S." I was told by the New York Times office in London.

"For a people with the moralistic views of the Americans it is rather shocking," was its comment. The television networks have been running programmes up to 20 minutes long. South Africa too has been "running it pretty fully," says Stanley Uys, London editor of the Rand Daily Mail and other English-language South African papers. He says this is both because of the basic story and because of the South African link alleged by Wilson: "It is a change from the Information Department scandal," he adds without necessarily approving of the change.

Reuters confirms that the U.S. and the Commonwealth countries have been keenly following the case but says it is early to say how Europe is reacting: "Our French translators feel we are overdoing it," one journalist comments.

But one area is showing a notable lack of concern, the Soviet Union "Our people are not so much interested." Isvestia says "We prefer to delay until something definite comes up."

"I think he was a Fleet Street casual!"

War of words

Perhaps aware that libel actions are good news for lawyers and, normally, for no-one else, journalists tend to look worried whenever the possibility is so much as mentioned. But in Jerusalem the first leg has just been completed of a libel action brought by two British authors against the right-wing Israeli paper Maariv.

The two writers involved are Christopher Mayhew and Michael Adams, joint authors of Publish It Not, a book which they see as a corrective to years of pro-Israeli bias in the Western Press.

The Maariv review accused them of producing "Nazi-style propaganda" and averred: "Arab money is starting to talk."

"I don't think I have ever read anything quite so offensive about anybody," says Adams, who was described as having "lost all sense of fairness and common sense." He is now experiencing at first hand the effect of the long delays which afflict libel actions.

"We published the book in 1975 and sued for 500,000 Israeli pounds. At that time there were I£35 or I£36 to the pound sterling, which represented a fairly hefty sum. But there is nearly 50 per cent inflation in Israel, so we feel rather diddled. . . . If we lose perhaps it will help."

The New Year will see the continuation of the case. The review itself was by-lined with the name of a London Jewish Chronicle staffer. He parried my questions about whether he had actually written the offending piece—"It's very complicated," adding "I don't really want to be involved," a sentiment not uncommon among those caught up in such sterile court dramas.

Pace setter

Hill Samuel has just become the first British bank to have a black on the board of its South African subsidiary. The move does not impress the Anti-Apartheid Movement: "It is not an indication that the system is cracking. We do not think people will be convinced either here or there. Companies such as Hill Samuel are under attack for being involved at all." The AAM also wanted to know just how much control this director would have. The answer, Hill Samuel indicates, is not a huge amount. The new appointee, Sam Motsuenyane, will be a non-executive director and one of 15 members of the board.

Asked if other blacks would be appointed, Hill Samuel replies: "He takes his position purely on merit. We feel a dialogue at this level must be good for South Africa." The group claims that the appointment has been well received in all quarters. And the group makes it clear that it is not planning to turn its back on South Africa. "Mr. Motsuenyane is committed to the widest possible free enterprise and to continuing foreign investment for the benefit of all racial groups."

Motsuenyane is thus at some odds with the message of Steve Biko and his movement. But he has long been something of an exception to the general rule. He is chairman of a bank (the African Bank), has an Afrikaans publishing group, and is president of the National African Chamber of Commerce.

Gospel at the cafe

"Health" and "personal" are among the familiar reasons for the "resignation" of the mighty, but "Christian commitments" was a new one on me. It is the explanation put forward by Michael Fenton-Jones, 48, Baptist managing director of Commercial Union Properties, for relinquishing his post.

He tells me he needs more time for Christian work among businessmen, which be believes essential in an age that has "turned its back on God"

Was there perhaps an inherent conflict between the world of property and Christianity? "I don't think so. There are many men who can cope and still maintain a very rigorous Christian witness, like Sir Maurice Laing."

Among Fenton-Jones' Christian activities is the Full Gospel Businessmen's Fellowship International, which last night held its monthly dinner for some 200 people at the Cafe Royal, the slightly improbable venue where Fenton-Jones hopes "some will know Christ for the first time."

Observer

New trends in insurance: BY JOHN MOORE

The brokers' transatlantic trysts

THE TRANSATLANTIC insurance broking community has all the appearance of a child's carefully assembled jig-saw after it has been knocked over by a wilful brother.

Long standing business relationships that have been forged between British and U.S. insurance brokers are undergoing the most widespread upheaval and change in their history. The latest in a series of major realignments was announced last week. Sedgwick Forbes and Bland Payne, two of the largest Lloyd's of London insurance brokers, said that they were in merger discussions, and that at the same time they were in exploratory talks with Alexander and Alexander Services of the U.S. "with a view to the co-ordination of their world-wide businesses."

Because of the size and sheer ambition of the deal the announcement stunned London insurance circles. A merger of Sedgwick Forbes and Bland Payne would make the new group the largest insurance broking group in Britain. Between the two of them they would be handling insurance premiums of around £1.3bn a year which is likely to increase substantially once formal links were established with Alexander and Alexander, the second largest broker in the U.S.

In fact the amount of premium which Sedgwick Forbes and Bland Payne will be handling equals the entire premium of one of the world's biggest general insurance groups, the Royal Insurance Company. Even Lloyd's of London itself only handles around £2bn of premiums.

The trend towards the establishment of giant broking units is viewed by many people to be an essential development if the long-term growth of the brokers is to be assured. Many large brokers have reached a stage in their development where in order to show appreciable growth in the future, large accounts will have to be secured and maintained, and other business volumes increased substantially.

Overseas

Large brokers are approaching this problem in two ways. First, they try to get nearer to their important international clients through the establishment of overseas networks. Secondly, they attempt to formalise links with a principal market, the U.S., which accounts for around half the world's total non-life premiums of well over $150bn.

Giving a more formal character to historic links with the U.S.—which have hitherto had a much looser basis of mutual co-operation and goodwill—is now regarded as of paramount importance. Insurance markets are more competitive than they have been for years. Many overseas insurance markets have grown in size and flexibility, and can handle insurance business which traditionally would have been placed in the London insurance community.

Lloyd's brokers are anxious to ensure that their links with the U.S. market are secure in order to prevent business bypassing the London community.

In turn, the large U.S. insurance brokers have reached a stage of development in their home market where to integrate substantially among themselves would probably lead to anti-trust difficulties. Besides, American brokers are seeking to develop and consolidate their position in international markets, handling local business, and supporting local insurance centres in the way in which UK broking firms have traditionally conducted their business. A tie-up with a well-established and respected Lloyd's approved insurance broker has considerable attractions to the Americans.

The large Lloyd's broker is obviously keen to link arms with a broker in the U.S. who enjoy comparable status, and provides the vital growth for the operations of the British partner.

Here problems arise for other insurance brokers on both sides of the Atlantic.

The large British broking houses are not the only insurance broking groups to have established links—if on an often informal basis—with the U.S. market. Many medium-sized groups, too, have enjoyed long relationships with American brokers.

The American insurance market has long needed the capacity which the London insurance community has to do business. London's ability to underwrite the most complicated of risks has made it the insurance centre of the world. By comparison the American insurance market has tended to restrict itself to underwriting the business where it has specific—often domestic—expertise. The American broker's business has been channelled through an approved Lloyd's of London broker, or several London brokers according to the services required, because an approved Lloyd's broker is the only broker who can have access to the important Lloyd's market.

A YEAR OF BIG DEALS AT LLOYD'S

April 1978
Frank B. Hall of the U.S. and Leslie and Godwin of the UK, and Marsh and McLennan of the U.S. and Wigham Poland of the UK in bid talks.

April 19
Committee of Lloyd's rules that no insurance interest outside the Lloyd's market may normally hold more than 20 per cent of a Lloyd's broker.

April 20
Hall puts its bid on ice, and Marsh's approach to Wigham comes to a halt.

April 26
Lloyd's committee blocks attempt by Swett and Crawford, a subsidiary of insurance group Continental Corporation of the U.S., to take a larger than 20 per cent minority stake in Harris and Dixon Insurance Brokers.

June
C. T. Bowring and Marsh and McLennan in private talks.

June 29
***Hall revises £25m bid for Leslie and Godwin* which satisfies the Lloyd's committee.**

September
C. T. Bowring announces that talks are under way with Marsh and McLennan which could lead to a pooling of their insurance interests.

October
Swett and Crawford allowed 20 per cent *stake in Harris and Dixon by the Lloyd's* committee.

November.
Sedgwick Forbes and Bland Payne of the UK to merge. Then planning to link-up with Alexander and Alexander of the U.S.

If an American broker uses a London broker the commission is shared, although the London broker may have only played the most passive of roles in finding the original business. This is another reason, many people argue, why the Americans want a bigger say in the London market.

As the years have passed several U.S. brokers have been taken over by larger brokers. That is why there is such a tangle of common connections with America in the London broking market. For although several Lloyd's brokers did not start out with a link with Marsh and McLennan or with Alexander and Alexander, these two groups' acquisition programme has caused new links to be forged.

For instance, Hogg Robinson Group's link with R. B. Jones of the U.S. could become a link with Alexander and Alexander once Alexander has completed its takeover of R. B. Jones.

Looser links

With the new formal links emerging between the largest insurance brokers on both sides of the Atlantic there are growing fears that the existing looser links are likely to crumble, and that business volumes will shift dramatically to the detriment of the market. Insurance professionals are saying that the American brokers who currently do business with C. T. Bowring and Sedgwick Forbes and Bland Payne are not likely to continue to do so once they have linked up with a competitor. Other London brokers could gain.

But although there are reports in London that business volumes are shifting as the Americans seek new routes to the London insurance community, it will be some time before they do so in a significant way. Large accounts that have been serviced many years by a broker cannot be shifted overnight. Most of these involved in London agree that while the move towards larger broking units is essential for the brokers it may not be a healthy development for the insurers.

As larger broking groups are created, so they achieve more influence in the insurance community. The increased size of their respective accounts is awesome and on occasion could be used to work against the interests of the other members. The reason is that underwriters in the future are likely to be conscious of the weight of these enlarged brokers accounts, something which many of the big brokers are not likely to let them forget. It will be interesting to see whether underwriting standards can be maintained against the sort of broking muscle that is now developing.

But before any of these problems become of concern to the London insurance community, a large and difficult merger has to be accomplished between two of the major broking houses, Sedgwick Forbes and Bland Payne. Both are of comparable size, both are successful, both are ambitious. Insurance broking mergers are notoriously difficult to arrange: the Sedgwick Collins, Price Forbes merger of six years back was not without problems. Insurance broking is still very much a business involving people, relying on individual expertise, and a strong personal element—the relationship of the broker with his client.

When two sets of ambitious and talented groups get together, not all ambitions are always fulfilled. The result sometimes is that the insurance broker loses some of his best assets—men, and with them some accounts. Moreover, the larger broking unit in the early stages of merger has to maintain the same standards of service if it is not to lose accounts. But whatever the operational problems of a larger broking unit, even the smaller brokers are admitting that the small-is-beautiful argument has a slightly hollow ring. In the end it is size which impresses and gains, and has access to business which is becoming increasingly difficult to secure.

* * *

Many brokers are anxious to know what if anything C. T. Bowring and Sedgwick Forbes have left them in the way of possible future links. The existing relationships are as follows:

SEDGWICK FORBES with Marsh and McLennan, Alexander and Alexander, Frank B. Hall; **C. T. BOWRING** with Marsh and McLennan, Alexander and Alexander, Frank B. Hall, Fred S. James; **MATTHEWS WRIGHTSON** with Marsh and McLennan, Alexander and Alexander, Frank B. Hall; **ALEXANDER HOWDEN** with Alexander and Alexander, Marsh and McLennan; **WILLIS FABER** with Johnson and Higgins, Guy Carpenter (a subsidiary of Marsh and McLennan); **BLAND PAYNE** with Marsh and McLennan; **MINET HOLDINGS** with Fred S. James, E. H. Crump, Emmett and Chandler (part of the Pinehurst Group), Bowes Holdings; **LOWNDES LAMBERT** with Frank B. Hall; **HOGG ROBINSON** with R. B. Jones, Corroon and Black, Markel Service; **C. E. HEATH** with Rollins Burdick Hunter, Alexander and Alexander; **LESLIE AND GODWIN** with Frank B. Hall, Fred S. James; **GLANVILL ENTHOVEN** (subsidiary of the Charterhouse Group) with Corroon and Black; **STENHOUSE** has a North American presence through its link with a Canadian broker, Reed Shaw Osler.

Letters to the Editor

Importing food

From Mr. I. Campbell.

Sir, — Great Britain should thank the Prime Minister for wishing her to remain in the EEC. But why did he complain to his fellow Mansion House guests (reported November 14) that our contribution is too high, when the amount of this has always been entirely under the control of him and his Cabinet?

It is largely based on the amount of food we import from countries outside the Community. We import nearly half our food, and this enormous amount is quite unnecessary.

The Common Agricultural Policy may not be perfect, but even today, if the Government immediately adopted EEC farm prices, we could be almost self-supporting within the next few years. What is needed is a great increase of production per acre, by a larger work force, which would help reduce unemployment and revive some of our dying villages about which there is rightly so much concern today. We would have to pay a slightly higher proportion of our income for food, but this could be offset by lower taxes, financed by North Sea oil.

Let us forget the old cheap food policy, the chief cause of this country's decline, which aimed at keeping wages low to encourage industrial exports. This hasn't worked for years, and today only annoys our European partners.

Finally, having been grudging Europeans for so long, let us *show good faith by agreeing to* adopt the common currency. Why not transfer all national Mints to Brussels and produced Ecus there for all the member states? This would be a huge boost for European trade, and might help to revive our flagging economy.

Ivar Campbell.
29, Cadogan Square, SW1.

EEC farm incomes

From the Co-ordinating Director of Economics and Europe, The National Farmers' Union

Sir,—The fact that the EEC data quoted by Mr. Brian Gardner (November 16) are used *in the annual price fixing* calculation does not make them representative. Indeed, the compilers of the figures warn that "since . . . this sample is not yet fully representative . . . (the) results cannot be *considered truly* representative. . . ."

I fail to understand why the above-50-hectares-group should comprise farms of only average efficiency. This group includes the largest farm businesses in the EEC and it is not surprising that income there is higher than the national average wage (85.7 per cent of EEC farms are smaller than 50 hectares.)

Incidentally, "representative gross margin data" does not take account of fixed costs and consequently should not be used as an indicator of farm income, particularly when it is a question of comparisons with other sectors in the economy.

M. P. Strauss.
Agriculture House, Knightsbridge, SW1.

Transferring pensions

From Mr R. Bankes-Jones

Sir,—Mr. Prescott (November 17) avers that "the simple reason why transferees generally get a raw deal is that trustees generally do not have enough money,"—having earlier mentioned (quite correctly) that the extensive transfer club network surmounts the difficulty. He concludes that we should all wait and see what the Occupational Pensions Board (which has much influence but no money) may have to say on the matter in due course.

Those statements are unexceptionable *in* themselves and they only reiterate broad brush *points on this subject which are* widely expressed. They amount to saying that the problem is difficult, so let us pretend it is not there or leave it to others: we have other things to do.

The problem is indeed difficult and unfortunate and has many facets. But no one in his right mind can accept as fair the admitted position that transfers within the private sector are penal, while at the same time transfers within the public sector and between the public and private sectors are not. The *system is out of phase with* equity for people; and pensions are for people.

Correction is, by knock for knock, partly a matter for trustees. Correction is more still a matter for employers. But most of all it is a matter of ensuring that costs for this purpose incurred by loss making or subsidised nationalised industries in particular and by self-supporting private sector enterprises according to their ability are not wildly out of line within the same economy and society.

R. M. Bankes-Jones.
154, Palewell Park, East Sheen, SW14.

Two more Quangos

From Mr. M. Greener

Sir,—In the week just passed there was a veritable outcry in Parliament against the present rapid growth of the Quango (quasi-autonomous non-governmental organisation). Concern was expressed at the uninhibited expansion of this species due to the unbridled operation of Parkinson's Law and of its ever-increasing demands on the public purse.

Might it not, in this context, be relevant to point out that the proposed Scottish and Welsh Assemblies will provide us with the archetype of the species in the form of such barren and expensive Quangos that will be removed only by an equally *costly political* volte-face. Surely there are better ways of coping with our unemployment problem.

Michael Greener,
9, Romilly Park, Barry, S. Glam.

Financial Weekly

From Mr. R. Milner

Sir,—Though almost reconciled to being considered a megalomaniac buffoon within my family circle, I object to your "Men and Matters" columnist giving this unfortunate misapprehension much wider currency on November 16. He quoted Bill Davis, Editor-in-Chief of the forthcoming Financial Weekly, as saying that they had second thoughts *about* having me as editor because I wanted "a huge staff of 40-50 writing journalists."

This is quite simply not true. Admittedly, I did not consider that the scheduled writing *staff* of 12 (including Davis and myself) was adequate to produce the bulk of a 60-page quality weekly financial newspaper. After discussion, he agreed on November 7 to increase the writing staff to 20. Which was fair enough, although the FW journalists would have to be twice as productive as those on comparable publications.

Mr. Davis had second thoughts *because I resigned for* other reasons that should perhaps remain private, unless he wants a semi-public debate on the subject. Like many experienced financial journalists, I would welcome another thriving, newsy and authoritative publication in this field and I wish Michael Blanden every success as Editor.

Richard Milner.
The Sunday Times, 200, Gray's Inn Road, WC1.

New Zealand's trade

From the Director, New Zealand Dairy Board

Sir,—Enough has probably already been said in response to views expressed in your column by Mr. J. D. Owens, of the Dairy Trade Federation (November 7) to establish that no arrangements have been made with Japan which in any way reduce the importance to New Zealand of continued access for butter to the British market.

To put the Japanese market into perspective, however, it may be *useful to give the following* official figures of total imports of butter into Japan from all sources over the past five years, showing also the *proportions* supplied from New Zealand:—

	Total Imports	Imports from New Zealand
	Metric tons	
1974	24,859	8,309
1975	2,202	788
1976	19,205	9,914
1977	3,620	408
1978 (Jan. to June)	748	292

No significant tonnage of butter has been sold to Japan this year, and in view of the trend of Japanese dairy production, none is likely in the foreseeable future. In 1977 total milk production in Japan was over 9 per cent up on 1976 and it is continuing to increase. Japanese butter production in September was about 18 per cent above the same month last year.

S. T. Murphy.
St. Olaf House, Tooley Street, SE1.

Air row over Gatwick

From the Managing Director, British Airports Authority

Sir,—Michael Donne's piece on air services to Spain and Portugal (Air row threatens holidays, *November 14) provided,* as ever, a masterly analysis of a complex situation.

There are still, however, a few points that should be made to complete the picture. Iberia is *quoted as putting the cost of the* move from Heathrow to Gatwick at £20m a year. In the absence of more specific information—a breakdown of individual items for instance—it is difficult to understand how the *figure is so* large. Nor has there been any mention of the money that the airlines concerned will actually save as a result of the move.

Landing and parking fees at Gatwick are significantly *lower* than at Heathrow, so Iberia will save itself at least £250,000 a year on this one item. In addition, there will be a considerable saving in fuel, of the order of 500,000 gallons a year.

The "inducements" we are being urged to make exist already.

John Mulkern,
2 Buckingham Gate, SW1.

A measure never met

From Mr. E. Banchero

Sir,—How I agree with Mr. R. Farrell (November 16) and feel that the Metrication Board has failed principally in educating the public at large in the accepted and easy way to think metric.

To the president and secretary of the Scottish Housewives Association (November 17), I would retort "talk to me when your cu. foot will hold a pint and weigh a pound" but we are all too familiar with the facile 0.568 cc pint or worse the 609.6 mm-busted lady.

In point of fact—despite whatever the French may do—the average height is not 1700 mm, not even 1.70 m, but simply 170 cm. And generally one does not revert to mm except for technical drawings, or when expressing comparatively small measures, just like one does not revert to m except when measures or distances over 2 m need to be shown. The average height of a room (not in UK) is 2.8 m and not 280 cm and so forth.

Yet I have come across an office ruler showing the standard *30 cm subdivided into three neat* spaces, the first quite correctly showing both cm and mm, the second inexplicably showing only blank spaces between cm and the third allegedly corresponding to the abstract concept of 1 decimetre. A measure never encountered on its own except when visualising a cu. dm. which quite properly incidentally con*tains 1 litre and weighs 1 kg.*

That a manufacturer should produce and sell perhaps even successfully because of an unsuspecting public such misguided rulers thereby corrupting it metrically so to speak is a very poor reflection of the work which has half-heartedly been carried on by the Metrication Board.

Emilio G. Banchero.
The Studio, 10b Elizabeth Mews, NW3.

Progress in metrication

From the Chief Information Officer, Metrication Board

Sir,—The Metrication Board has a lot of sympathy with Mr. *Farrell (November 16) when he* draws attention to inadequate metric progress in engineering. The need to put this situation right is one of the main points in the Board's recent report. We have put *considerable efforts* into removing impediments to metrication in engineering and we make advisory publications available, including a special booklet for small firms. We are *currently discussing possibilities* for further action with the CBI and others.

But the fact is that we are not likely to get really thorough metrication in industry until *there is greater use of metric* units in everyday life. This is one of the reasons why the Board argues for "completing the conversion of those activities where people really think about *weights and measures*"—by which is meant principally the retail trade and road signs.

Few people are likely to learn about the metric system in isolation. So the Board has a firm *policy of basing public education* on the significant changeovers in everyday life as they take place, and we shall be continuing this programme—for example as more major prepacked foodstuffs *go metric next year.*

As to the merits of the metric system—the major point is that it is increasingly used in industry and commerce throughout the world. Britain cannot ignore this *trend. Practically all* international standards are now in metric dimensions. Accepting Mr. Farrell's point that more people should become aware of the advantages of metrication it would help considerably if more businessmen emphasised in public what the value is to their own industry and export trades.

Ron Mayes.
22, Kingsway, WC2.

To-day's Events

GENERAL

Second day of EEC Agriculture, Foreign Affairs and Association of South East Asian Nations/EEC meetings in Brussels.

Final day of Financial Times' conference on World Insurance, Dorchester Hotel, London.

Management and unions (except NGA) discuss future of Times Newspapers.

Three-day hearing starts at Appeal Court into Burmah Oil's case for release of confidential BP papers.

Two-day conference opens on Regulation of the British Securities Industry at London Hilton. Speakers include Mr. D. C. Macdonald, director general of the Panel on Takeovers and Mergers; Lord Shawcross, chairman of the Panel; and Mr. J. W. Robertson, deputy chairman of the Stock Exchange.

Members of the Stock Exchange vote at extraordinary meeting on replacing annual membership with life membership.

The Gold of Eldorado exhibition opens, Royal Academy, Piccadilly, (until March 18).

Benjamin Britten: Concert in Westminster Abbey marking dedication of a memorial to the *composer.*

Sir Kenneth Cork, Lord Mayor of London, attends Carpenters' Company dinner, Throgmorton Street.

OFFICIAL STATISTICS

Department of Employment publishes November provisional figures for unemployment and unfilled vacancies.

PARLIAMENTARY BUSINESS

House of Commons: Social Security Bill, second reading.

House of Lords: Pensioners Payments Bill, all stages. Motions to approve Unfair Dismissal (Increase of Compensation Limit) Order 1978 and Employment Protection (Variation of Limits) Order 1978. Motion to annul Food (Prohibition and Repricing) Order 1978. Debate on the 31st report of the EEC on a common system of VAT on Works of Art.

COMPANY RESULTS:

Final dividends: Allied Breweries, Atlanta, Baltimore and Chicago Reg. Inv. Tst, Duple International, Wade Potteries, Yorkshire and *Lancashire Invest. Tst.* **Interim dividends:** Belgrave (Blackheath), Black Arrow Group, Bremar Trust, Evans of Leeds, Grampian TV, Hambros, London and Lennox Inv Tst, Metal Box, Reardon Smith Line, Somportex Holdings, "The Times" Veneer Co.

COMPANY MEETINGS

Assam Trading, Victoria House, Vernon Place, WC, 12. Footwear Ind. Invs., Winchester House, 100 Old Broad Street, EC, 12. Rediffusion TV, Stratton House, W, 12. Charles Sharpe, Boston Road, Sleaford, Lincs., 12.

COMPANY NEWS

Standard Life says no to Canadian transfer deal

BY ERIC SHORT

Standard Life Assurance has decided not to proceed with the sale of its Canadian business to Manufacturers Life Insurance. Details of the original transfer were given in July this year.

Announcing this surprise move yesterday, Mr David Donald, the general manager and actuary of Standard, stated that when the company entered into an agreement with ManuLife to merge their Canadian interests, it was expected that this would be a relatively straightforward and speedy business.

It has now become clear that this is not so and Standard has therefore decided to withdraw from the deal rather than expose both policyholders and staff in Canada to an unknown period of uncertainty.

Mr Donald emphasised that this decision in no way reflected on ManuLife, but was due solely to factors beyond the control of both companies.

Under the original deal Standard Life was proposing to transfer its Canadian business to ManuLife and C$1.5bn of its assets in Canada to meet the liabilities of that business. The transfer was being made under the Canadian and British Insurance Companies Act.

But apparently it has been found that there are doubts about the constitutionality of this Act in that it purports to give the Federal Government powers to do something that is reserved for the provincial authorities, that is to change the nature of policyholders' insurance policies.

Had the transfer continued in accordance with Section 90 of the Act, then the company was liable to be challenged by policyholders. It had already encountered opposition from a group of policyholders on the transfer.

So Standard Life intends to remain in Canada, where it has operated for nearly 150 years, and endeavour to correct the problems of an inbalanced portfolio. It had already hired a new sales manager prior to the proposed transfer. In the past two or three years the proportion of with-profits business had been slowly growing. Now it intends that this move will be accelerated.

The company will still operate from Quebec and Mr. Donald warned that if unsuccessful the whole position in Canada would be considered afresh. But he doubted whether the company would get as favourable terms.

As far as UK policyholders were concerned, Mr. Donald was emphatic that there were no implications for them. Standard would run its Canadian business profitably without recourse to UK policyholders' funds.

W. Canning warns of shortfall

BY ARNOLD KRANSDORFF

W. Canning's forecast in August of further satisfactory progress in 1978 "will not now materialise," according to Mr. Alex Houseman, chairman.

In a statement before leaving on a tour of overseas agents and customers, the chairman said that profitability of several areas of the group had been affected by an "unexpected" fall in UK sales during the third quarter.

The group's share price yesterday dropped 11p to 52p on the news, giving the company a market capitalisation of £5.7m.

The chairman attributed the fall to the uncertain economic climate and widespread industrial disruption. "Although the directors expected at the commencement of 1978, and at the time of the interim statement, that the year would result in further satisfactory progress, in view of the unforeseen downturn this will not now materialise," he said.

In the light of the chairman's statement, analysts now expect this Birmingham-based electrical and mechanical engineering company to turn in pre-tax profits of less than £1m for the year, against £1.66m last time. At the interim stage profits were down from £0.75m to £0.72m.

Hardest hit has been the company's largest subsidiary, W. Canning Materials (normally 70 per cent of profits), which provides specialised chemicals and polishing materials for the metal finishing industry. Third quarter sales are a quarter lower in volume, mainly because of a move to a new warehouse and a number of industrial disruption problems, all of which have affected deliveries. Industrial disputes among the company's 9,000 customers have also affected the order book.

Elsewhere, W. Canning Engineering, which normally contributes about a fifth of group profits, was hit by continuing delays by customers in completing plant building programmes.

In spite of the expected downturn in group profits, the final dividend of 2.255p net—forecast at the interim stage—is not thought to be in jeopardy.

Cope Allman to shed lossmakers

A TOUGH policy towards lossmakers is being adopted at Cope Allman International. Mr. L. J. Manson, the chairman, says that a few remaining companies in the group remain unprofitable despite intensive management action. If they continue to make losses the Board intends to close or dispose of them, he warns.

Meanwhile in the packaging division where in 1977-78 profits dived from £2.28m to £1.33m on sales of £64.87m against £60.99m, there is a more optimistic outlook for aerosol valves—one particular product area where demand had fallen.

The recovery in the aerosol valve business seen in the second half of last year has continued. Attitudes to the controversy on fluorocarbon aerosol propellants are now much calmer in the major markets in Europe.

In addition the group's new valves for use with alternative propellants are now on the market and have gained acceptability with customers. Further developments based on these valves will be launched during the current year and will help to retain a significant and profitable share of the available business, the directors say.

Some of the benefits of the increased capital spending over the last two years have begun to show in the group overall and will be reflected in profits from the current year onwards says Mr. Manson. However the increased value of the pound continues to make it difficult to remain competitive in certain of the company's major export markets.

For the year to July 1, 1978, the company's UK exports were up only 9 per cent at £21m compared with a 37 per cent average rise in the previous three years. Total sales were ahead from £145.73m to £158.9m, group taxable profit was down £0.4m at £9.18m and the net dividend is raised from 3.1361p to 3.502p per 5p share—as reported October 5.

Steps have been taken to bring a better balance to the debt portfolio by raising the long-term component, says Mr. Manson. A 12-year loan of £5m has been negotiated with Finance Corporation for Industry. Long-term borrowings at July 1 amounted to £3.78m (£4.14m) and now constitute 31 per cent of total loans with £2.5m of the FCI loan drawn and will rise to more than 40 per cent when the remainder is drawn.

Meeting, Royal Automobile Club, SW, on December 14 at 11 am.

Sharp rise for Town Centre

FOLLOWING A jump from £150,500 to £304,442 at midway, pre-tax profits of Town Centre Securities finished the June 30, 1978 year well ahead at £800,504, compared with £460,478.

Gross revenue amounted to £2,068,096 against £2,439,438 and profits were struck after slightly reduced interest of £1,000,103 (£1,083,030).

Stated earnings rose from 1.4p to 1.72p per 25p share and the dividend total is the maximum permitted 0.91226p (0.81695p) net. A one-for-two scrip issue is also proposed.

Tax charge for the year took £411,255 (£153,000) and there were minority profits of £1,262 (£1,008).

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
ANZ Banking	11‡	Jan. 25	12	20	20
Cambrian and Gen.	2.38	Dec. 19	2.25	3.88	3.5
Fashion and General int.	2.1	Dec. 22	1.94	—	4.94
Intnl. Thomson	5§	Jan. 15	—	—	—
Rexmore int.	1.39	Jan. 17	1.25	—	4.25
Town Centre Secs.	0.91	—	0.82	0.91	0.82
Thomson British	5§	Jan. 15	—	—	—
Wilshaw Securities	Nil	—	1.32	Nil	1.32

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and or acquisition issues. ‡ Cents per share throughout. § U.S. cents: 10 cents total forecast at time of reorganisation.

Rexmore well ahead midway to over £0.7m

TURNOVER up 22.9 per cent to £17.39m together with a rise of 20.1 per cent in profits to £701,012 are reported by Rexmore for the six months ended September 30, 1978.

The increase in activity was across the whole group and prospects for the full year are excellent, provided the buoyancy in present consumer demand is sustained, the directors say.

Tax will again not affect profits due to stock relief, first-year capital allowances and unrelieved prior years' losses.

First-half earnings per share are shown at 7.86p against 6.65p adjusted and the net interim dividend is lifted from 1.25p to 1.395p—last year's total was 4.25p from profits of £892,000.

Minorities total £8,930 (£5,374) and the dividend absorbs £122,935 against £107,657.

The Liverpool-based group supplies and distributes fabrics and accessories to the bedding, upholstery and furnishing trades.

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TODAY

Interims—Belgrave (Blackheath), Black Arrow, Bremar Trust, Evans of Leeds, Grampian TV, London and Lennox Investment Trust, Metal Box, Reardon Smith Line, Somportex, "The Times" Veneer.

Finals—Atlantic, Baltimore and Chicago Regional Investment Trust, Daple International, Hambros, Wade Potteries, Yorkshire and Lancashire Investment Trust.

FUTURE DATES

Interims—	
Downing (G. H.)	Nov. 28
Durapipe International	Dec. 7
Heywood Williams	Dec. 14
Johnson, Matthey	Jan. 29
Meyer (Montague L.)	Dec. 12
National Carbonising	Nov. 23
Preedy (Alfred)	Dec. 11
Shaw and Marvin	Dec. 5
Sumrie Clothes	Nov. 27
Tranwood	Nov. 29
Tunnel Holdings	Nov. 23
Westbrick Products	Nov. 29
Wheeler's Restaurants	Nov. 25
Finals—	
Greencoat Properties	Nov. 27
Leeds and District Dyers	Nov. 28
National and Commercial Banking	Nov. 30
Royal Bank of Canada	Nov. 23
Swan Hunter	Dec. 1

Wilshaw second half pick up

ASSISTED BY a Government temporary employment subsidy Wilshaw Securities, hydraulic press and equipment maker, as forecast return to profitability in the second half of the year to July 31, 1978, with a taxable profit of £60,484, against £67,242 last time. This reduced the fulltime loss to £263,993, compared with a £111,886 surplus.

At halftime, due to unforeseen difficulties leading to the cancellation of certain contracts the group had fallen from a £44,644 profit into a £324,477 deficit.

There is no dividend for the year this time. Last year's payment was 1.32p net per 25p share.

Turnover for the 12 months was down £0.5m at £1.05m after adjustment for work in progress. A tax credit of £107,225 (debit £57,318) leaves the net loss at £156,768 (profit £54,568).

Record order book at Pressac

THE CURRENT year has started well at Pressac Holdings and orders are a record, says Mr. G. W. Clark, the chairman, in his annual statement.

As already known, pre-tax profits for the year to July 31, 1978 advanced to £1,012,621, compared with £860,326 after £142,678 losses from its German subsidiary.

A breakdown of 1977-78 turnover and profit shows:—UK electro-mechanical components £6,464,144 and £774,440, UK special purpose machinery and precision parts £1,052,403 and £226,170, and overseas electro-mechanical components £371,444 and £12,011.

In television, new business at home continues to bring benefits and, with 23m receivers now in use in the UK, the replacement market alone will soon represent an average yearly demand for some 3m sets, Mr. Clark reports.

Also there are the innovations of video recording, which creates further demand, he adds.

The chairman says it is impossible to forecast what may be expected from the motor industry and therefore the company does not count upon growth here despite a substantial increase from Pressac components.

The company looks forward to growth at home from gas ignition and from "white goods," particularly with the more advanced technology being applied to washing machines and other domestic appliances.

Benefits are expected to show from Pressaco in the current year and henceforth, following its establishment as a major supplier to the Italian television industry.

Mr Clark reports that the company continues to invest heavily in plant as its policy is to remain abreast of the advances in manufacturing technology.

At October 19, 1978, ICFC held 11.67 per cent of the equity.

Meeting, Nottingham, December 7, 3 pm.

Revenue up at Cambrian & General

For the year ended September 30, 1978, revenue of Cambrian and General Securities increased from £245,412 to £271,287 after tax of £100,809 against £91,918.

Net revenue at halfway was down from £71,790 to £67,876.

The final dividend is 2.375p making a total of 3.875p compared with 3.5p previously.

Break-up value of the ordinary shares amounted to 119.3p against 112.8p.

FOTHERGILL AND HARVEY

Fothergill and Harvey's rights issue of 2,054,163 shares at 38p each has been taken up as to 94.15 per cent.

NEWS ANALYSIS—MILLETT'S OFFER FOR SALE

New Year launch

BY TERRY GARRETT

MR. Alan Millett and his family will find a little extra in their Christmas stockings this year. Their company Millett Leisure Shops, which operates the R and A Millett Shops chain, will be making its stock market debut around the turn of the year.

Around 35 per cent of Millett's equity will be sold raising £2 m. Not all this will come Mr. Millett's way as two-fifths of the shares being sold will represent new money for the company.

Millett is one of the largest retailers of leisure wear and camping equipment in the country, but your local Milletts store may not be one of this chain. In fact there are six other chains of Milletts shops, if the quoted Greenfield Milletts is taken in, and a number of other Milletts shops, in groups of one to three, are run by members of the Millett family.

The family's retailing history dates back to Alan Millett's uncle Mr. Max Millett who opened the first Milletts shop in Southampton in 1908. Max Millett helped three of his brothers to enter the retail trade and from then on the family tree grew—and along with it the number of Milletts retailing chains. In all there are probably 250 stores trading under the Milletts name but only 88 of these operate under an R and A Millett banner.

The number of chains operating under the same name obviously causes some confusion for customers, and it must to some extent inhibit the company's ability to expand physically. Despite being members of the same family, there could be legal difficulties in opening a shop near a rival with the same name. However, as Alan Millett points out, there are still plenty of towns without a Milletts store.

In terms of the number of shops, R and A Millett is the largest of the chains. It sells a wide range of proprietary goods including a large amount of casual clothing. But it is also expanding the proportion of sales under its own "Citizen" brand name.

"Citizen" accounts for about 40 per cent of Milletts' turnover and includes clothing, camping goods and footwear. Most of its own label goods are imported from the Far East, where the company has its own office in Hong Kong, though a small amount (perhaps 5 per cent) is of UK origin. Millett is introducing as a pilot scheme sports wear and equipment into a few of its shops.

The company's shops are widely spread throughout the country—as far afield as Canterbury to Lancaster and Newcastle to Exeter, plus a couple of shops in Scotland.

The stores are serviced by weekly deliveries from a central warehouse in Northampton. Millett moved into the warehouse in 1973 and has recently extended it, giving 38,000 sq ft of warehouse and 10,000 sq ft of office space. This, Alan Millett believes, is sufficient to cope with the company's needs for the next five years. On the site, there is space to build another 38,000 sq ft of warehouse if needed.

Millett has shown some good growth in recent years. During the five years ended last January 30, pre-tax profits have expanded from £244,000 to £803,000 pre-tax on sales rising from £4m to £9.6m. This year the company is showing a substantial improvement to date.

Despite the mediocre summer weather—Millett likes to see hot summers and cold winters—sales have shown good gains on the back of higher consumer spending in the leisure sector. Sales this year could grow to the £12m mark.

This growth has been achieved without a vast new store opening programme. In fact, the number of stores has declined by around 10 during the last five or so years, though the selling area has been increased by over 50 per cent to 210,000 sq ft. Milletts has extended or resited about half of its shops in the past six years.

Helped by the £800,000 of cash from the offer for sale Alan Millett intends to step up the company's store opening programme. A further nine will be opened in the North-East before the summer peak selling season next July. To date the average size of a Milletts shop is around 2,000 sq ft. The new shops will be around 5,000 sq ft though it already operates stores going up to 13,000 sq ft.

The shops are a mixture of leasehold and freehold. In the last accounts, dated January 30, 1978, the group had fixed assets of £2.2m. A property revaluation since then has thrown up a £1m surplus which will be taken into the balance sheet. The issue price, when it is announced, is expected to be backed by substantial net assets.

County Bank, which is handling the issue along with stockbrokers W. I. Carr, were the first to break the ice on the new issue market this year with the offer for sale of Sage Holidays. County Bank is keeping busy these days—it is also handling the forthcoming issue by Harris Carpets, due soon.

Eleco poised for buoyant year

AT THE start of the current year, overall group orders of Eleco Holdings were double those of a year ago, Mr. F. Webster, the chairman tells shareholders in his annual report.

Recent investment policies enable the group to act in strength wherever opportunities are presented and the trading position is continually being consolidated and strengthened.

In a similar fashion, the diversification into property will in due course, give an added lustre to the results, the chairman says.

The property division of Bell and Webster has already demonstrated its value to the group by achieving a £2.2m capital profit during 1977-78 from the sale of a major part of its development to date. The company still retained, however, a sufficient bank of industrial land, surplus to trading needs, to enable a new property portfolio to be developed.

Since the beginning of the current year, three additional properties have been let, including one newly-constructed. Together these three will add £107,000 to the rent roll, bringing it to £178,000 per annum.

Further pre-lets are under negotiation which, if successful, will add a further £125,000 per annum to the portfolio income. The chairman expects that within the next five years, rental income could be approaching £500,000 per annum without having to acquire additional land. Moreover, the development necessary to achieve this should be financed from internal resources and normal cash flow.

For the year ended June 30, 1978, the group reported pre-tax profits of £1.1m against £0.94m previously from turnover of £13.44m compared with £10.3m.

All sections of the group experienced a better demand for products and services. Davis Trunking had its most successful year to date by concentrating on further market penetration, both at home and overseas. In the first quarter of the current year, both orders and sales are showing a satisfactory improvement over the same period of last year and the signs are that this position will continue during the year.

Eleco Ltd had a better year with profits up by 40 per cent, and continued to rationalise its production by the further expansion of its new foundry at Haverhill and the Haverhill complex is now mainly concerned with the manufacture of specialist electrical maritime products for the Ministry of Defence and overseas navies, demand for which increased during the year by 33 per cent.

At the original factory at St. Albans, the company is maintaining production of street lighting fittings and directional road signs. The budgets are set for a 20 per cent increase in turnover in the current year which, if achieved, will show a further improvement in profits.

The concrete and building divisions of Bell and Webster both did very well in the face of the continuing building recession. A rise of 33 per cent in turnover was achieved and profits rose substantially. Order books at the start of the current year were 75 per cent up on a year ago.

Meeting, Great Eastern Hotel, EC, December 18 at noon.

Ellis & McHardy aims to diversify

It is unlikely that the volume growth in fuel oil distribution of past years can be maintained at Ellis and McHardy and diversification opportunities are being examined, says Mr. James Leith, the chairman. The group's boiler maintenance service has extended the scope of its activities and a heat conservation unit has been set up.

Despite inroads from alternative fuels, particularly gas, and increased competition, the group's oil sales improved in 1977-78.

However for fuel distribution the weather is a major factor; the indifferent summer helped to sustain sales, but efforts with coal were hampered by supply shortages.

Total group turnover for the year to July 31, 1978, was up at £11.62m (£8.91m) and pre-tax profit advanced to £282,638 (£235,075)—as reported October 26. The dividend is raised to 3.04125p (2.7235p).

At Kittybrewster, rentals now make a substantial contribution to group profit with all available warehouse and office space fully occupied throughout the year. The directors have recently agreed a lease adjoining the Kittybrewster depot and proposals for a further major development have received planning permission, Mr. Leith reports.

Bank overdraft at year end was up at £216,191 (£189,544).

Increase for Fashion and General Invest.

An improvement in pre-tax profits over last year's £142,000 and the maximum permitted dividend total are forecast by Fashion and General Investment for the year to March 31, 1979.

First half profits are up from £70,000 to £73,000 before tax of £25,000 against £24,000, and the interim dividend is stepped up from 1.936p to 2.1p—the previous total was 4.936p.

The ultimate holding company is Scottish and Mercantile Investment Co.

UCM highly confident for current year

Prospects for the current year at United City Merchants are very good, says Mr. E. C. Sosnow, the chairman, in his annual statement.

As reported on November 3, pre-tax profits dropped from £4.05m to £2.73m for the June 30, 1978, year, struck after an £632,000 exceptional provision mainly comprising an overseas debt relating to the previous year's trading in South Africa. The net dividend is effectively raised to 0.839p (0.7488p) adjusted) and a one-for-eight scrip issue is also proposed.

Since the end of the 1977-78 year, trading in all sectors has been active and the order book is good, the chairman points out.

The group's UK leather manufacturing activity suffered from the general downturn of output and profitability in the industry, caused principally by competition at subsidised low prices from South American producers.

UK leather manufacturers have made representations to the Department of Trade and Mr. Sosnow says he hopes that in the near future some steps will be taken to remedy this situation.

Unaffected by South American competition, the group's tannery and leather factories in India exceeded their expected contribution to profits. The Indian leather division is poised for further expansion and the chairman hopes for an excellent contribution during the current year.

The group's timber sector profits were adversely affected by the reduction in price and volume of timber imports in the UK, France and Holland. The new season which will open soon will find UK and overseas markets in much better shape than during the past year, states the chairman, who is therefore looking forward to improved results in the current year.

In 1977-78, the engineering and automotive division contributed increased profits and with an overflowing order book, Mr. Sosnow reasonably expects another very good performance.

The turnkey-project for the first phase of a jute industry complex for Vietnam has been completed and discussions on the next phase, substantially larger than the first, are in progress.

Trading in the animal by-products sector is maintaining a high level and improved profits are expected this year.

The group's barter and counter trade is very active and expanded not only in volume, but also geographically to many European and Far Eastern countries.

Its banking subsidiary has consolidated its activities and has become a most useful banking arm of the group's international trading activities, Mr. Sosnow adds.

He points out that as in the past, the group has avoided any speculative trading activities and is the main reason that cash flow is most satisfactory.

Meeting, London Hilton Hotel, W, December 11, noon.

BIDS AND DEALS

Lloyds & Scottish £9.6m agreed offer for Cedar

Cedar Holdings, the second mortgage group which was one of the early casualties of the secondary bank crisis is no wbeing wooed by one of the largest of the independent finance groups, Lloyds and Scottish.

Yesterday L and S announced an agreed offer of £9.6m, amounting to 26p in cash for each ordinary share and 76p in cash fo reach preference share. On the news Cedar's ordinary shares rose 5p to 24p in the market and the preference shares increased by 21p to 68p.

The offer is already assured of success. It has been irrevocably accepted by the four institutions which have been supporting Cedar since 1974 and which own just under 60 per cent of the equity. The directors have also accepted the offer and their votes together with those of the institutions give L and S 63 per cent of the ordinary shares and 70. 9per cent of the preference shares.

Lloyds and Scottish has chosen an opportune moment to make its bid. Only a fortnight ago Cedar produced its annual accounts for the year to June which showed that the company had repaid another £4.8m to the institutions, and £917,000. increased its profits to a net

The group now owes less than £2m to the institutions compared with a peak of £56.5m during the worst days of the crisis.

So steady has been the improvement in the group that Mr. Simon Coorsh, the chairman, intimated strongly in his annual statement that the company would shortly be seeking relisting of its securities (bargains can at present only be struck under special rules).

The background to the improvement is a steady increase in the secondary mortgage portfolio—the area in which Cedar specialises. It is this which has attracted L and S also.

In the official statement yesterday L and S said that the acquisition "represents an important extension of its consumer finance interests." L and S intends to continue running Cedar much as it is now and has promised to pay off the remaining funds due to the institutions.

See Lex

Ladbroke expands hotel side with £4.6m bid for Myddleton

BY JAMES BARTHOLOMEW

Expansion by the Ladbroke Group into the hotel industry continued yesterday with the announcement of an agreed £4.6m bid for Myddleton Hotels.

Ladbroke's avowed intention is to become a significant force in hotels to widen it's profit base. It's casino profits could be hard hit if the recommendations of the Rothschild Commission on gambling are exercised.

Myddleton owns seven up-market hotels situated mostly in provincial tourist centres: Bath, York, Bournemouth, Oxford, Eastbourne and Brockenhurst. The seventh hotel is in London.

Ladbroke has gone for provincial hotels because London hotels are "impossible to buy," said Mr. Cyril Stein, chairman of Ladbroke yesterday. Foreign buyers have bid up London hotels to a level where the yields are too low, he said.

Myddleton Hotels would be treated as a separate division of Ladbroke's hotel business if the deal goes through

The other two divisions are the Dragonara Hotels, provincial hotels catering to the top end of the business market; and Mercury Inns which is aimed lower down in the same market with an emphasis on hotels near motorways.

The current executive directors would remain on the Board of Myddleton and Ladbroke has committed itself to maintaining "the present management style and philosophy."

But there will be some changes. Ladbroke's marketing would be brought to bear on Myddleton's occupancy rates. The three division would "cross-market" each other. And Myddleton would be subject to Ladbroke's financial controls and would take part in Ladbroke's expansion plans. The new hotel being built by Ladbroke in Edinburgh would be put into the Myddleton division. Other hotels bought by Ladbroke in the future would also be added if they fitted into the Myddleton style.

Tthis purchase would by no means complete Ladbroke's drive into hotels. "We are still a minnow compared to Trust Houses Forte" said Mr. Stein, "but it won't be long before we start getting close to Grand Metropolitan."

The hotel side could make profits of the order of £5m next year, he said, and the spending would continue. Cash flow was good and cash balances higher than at the beginning of the year when liquid assets stood at £13m, he added.

Further acquisitions were likely to be of independent hotels in the provinces and on the outskirts of London. Expansion would also be pursued through extensions and new developments.

The terms of the offer are 300p cash or one Ladbroke share plus cash giving an aggravate value of 300p for each share of Myddleton. Directors of Myddleton, members of their families and certain other major holders have irrevocably undertaken to accept in respect of 30.3 per cent of the equity (430,487 shares). Ladbroke owns 3.6 per cent (54,000 shares). Ladbroke is also offering 30p cash per share for the preference capital. Myddleton shares closed yesterday at 295p, up 50p

Gulliver takes 70% in new hotel company

Mr. James Gulliver, former chief executive of Oriel Foods and the Fine Fare supermarket chain has added a new dimension to his business interests by moving into the hotel market.

Gulliver Associates—run by Mr. Gulliver and his two close associates Mr. Alistair Grant and Mr. David Webster—has taken a 70 per cent stake in a new hotel company which completed its first acquisition at the weekend.

Mr. David Newling Ward owns the remaining 30 per cent of Gulliver Hotels which has purchased The Water Mill Hotel and the White Horse Inn at Bourne End, near Hemel Hempstead.

The new company aims to develop a chain of hotels in and around the Thames Valley, Cotswolds and Home Counties, and is currently investigating several other hotels.

Meanwhile the newly formed Gulliver Foods group may be on the point of announcing its first acquisition. The group is 51 per cent-owned by Gulliver Associates and 49 per cent jointly owned by bankers Noble Grossart and Charterhouse Group.

Mr. David Webster, a director of Gulliver Associates said yesterday that he hoped the new food group would be able to announce an acquisition by Christmas.

Ferguson Ind. agrees to sell Randalls stake

Ferguson Industrial Holdings, which could have posed an obstacle to Whitecroft's plans to take over Randalls, the building trades distributor, yesterday agreed to accept an increased bid from Whitecroft.

The terms of the new offer are one Whitecroft share plus 124p cash for every two Randalls shares. The new bid values the company at around £2.9m.

Ferguson, which earlier this year itself made a bid approach to Randalls says that it has made a £150,000 profit on the deal — raising around £750,000 for its 25 per cent stake.

Whitecroft, the textile, engineering and building group, says that, following the recent offer, it now has received irrevocable acceptances representing a 51.2 per cent stake in Randalls — including the former Ferguson stake.

The Randalls' directors and the group's merchant bank advisors County Bank are recommending other shareholders to accept the bid. Whitecroft had originally offered one of its shares pulus 114p cash for every two Randalls shares which then valued the group at £2.8m.

Mr. Lacey resigns from McNeill Group

Mr. Graham Ferguson Lacey has resigned as chairman of McNeill Group, the troubled Irish construction outfit. His place is to be taken by Mr. S. M. Smyth, who is to take the job on a temporary basis.

In a brief statement, Mr. Ferguson Lacey said. "having failed to receive the support of the Board for my proposal resulting from a detailed review of the group, which I have carried out since my appointment on October 2, 1978, my partner Mr. R. C. McBride and myself had today resigned as directors."

Earlier this month the company had asked for its shares to be suspended on the Stock Exchange pending clarification of the group's financial position. The shares were suspended at 28p which valued the group at £762,339.

Mr. Ferguson Lacey, who with Mr. R. C. McBride holds 23.1 per cent of McNeil's equity, became chairman in October. He said at the time that he intended to carry out a complete review and re-organisation of the group including the sale or closure of loss-making subsidiaries in order to curtail trading losses.

In its last financial year ending December 31, 1977 McNeill showed a loss of £1.27m. For the six months to June 30 in the current year it incurred a loss of £667,000 compared with £140,000.

Meanwhile the group's bankers have confirmed that they are continuing financial support on the usual terms.

McNeill said yesterday that chartered accountants Stokes, Kennedy and Crowley had been appointed by the directors to investigate the financial position of the group and to report as soon as possible. A further announcement is promised in due course on the results of the investigation and any necessary steps that will have to be taken that will lead to the restoration of the shares.

MINING NEWS

Fortunes are mixed at Hudbay

BY PAUL CHEESERIGHT

THIRD QUARTER earnings at Hudson Bay Mining and Smelting, the Canadian unit of Anglo American of South Africa, represent a marked improvement over the same period of last year, but the total for the first nine months of the year is running well behind that of 1977.

In the three months to September, Hudbay's net earnings were C$969,000 (£427,775) compared with a loss in the same period of 1977 of C$2.38m. In the first three-quarters of this year, profits were C$3.65m (£1.6m) against C$5.01m before extra-ordinary items in 1977.

In the second quarter last year Hudbay received an extraordinary payment of C$52.35m, mainly for the sale of potash interests. Some of these funds have been used to increase the shareholding in Whitehorse Copper, and with Minorco, another Anglo American company, to extend its stake in Inspiration Consolidated.

Whitehorse made a contribution to the third-quarter earnings, and Inspiration's third quarter copper sales were a third higher than over the same period of 1977. But while the average price Inspiration received was only slightly higher, costs were considerably more.

The overall picture for Hudbay, however, has been mixed. Although net sales have been running at a higher level than last year, Hudbay still had to contend with losses incurred by copper and fertiliser interests in the U.S. over the third quarter

The Canadian metals division has been doing substantially better in the last three months than during 1977 and the first half of 1978. Copper, zinc and gold prices have been better, and the profits have been increased by the lower value of the Canadian dollar against the U.S. dollar.

The results for the first three-quarters in fact include C$4.24m of unrealised exchange gains, before deducting minority interests, arising from the translation of the accounts of U.S. subsidiaries into Canadian dollars.

Hudbay's quarterly results are the latest in a succession of figures from major North American mining groups, suggesting that the worst of the recession may have passed.

Share split at Denison

DENISON MINES, one of the major Canadian uranium producers with extending interests throughout the energy field, is to sub-divide its shares on a four to one basis. The existing shares have a par value of one dollar, but the new shares will be without par value.

Announcing the change, Mr. Stephen Roman, the Denison chairman, said that the shares had recently traded in the C$75-C$80 range and the sub-division would make them more broadly available to the public.

The effect of the change will be to give Denison an issued share capital of 18.27m shares, compared with 4.56m shares at present. The Board's intention is to declare quarterly dividends, starting in March 1979, of 25 cents (11p) on the new shares.

Meanwhile Denison is to pay an additional cash dividend of C$5 a share.

Consequent upon this move, Roman Corporation, which holds 32 per cent of Denison, is to consider paying its shareholders a dividend out of the 1971 capital surplus.

Northern extends its diamond interests

NORTHERN MINING, the Melbourne exploration company which earlier this year became a favoured investment for those seeking an entry into the Ashton diamond venture, is spreading its diamond interests to New South Wales and Victoria.

This is revealed ina letter to shareholders from Mr. N. R. Towie, who explained that a search was taking place in areas where diamonds had been found in the past. The annual report shows that an exploration licence has been taken up for 594 sq km in the Beechworth area of north east Victoria, and application has been made for 256 sq km in the Copeton area of New South Wales.

Nevertheless the main focus of Northern's activities remains the Ashton venture in Western Australia, where Conzinc Riotinto of Australia is the leading partner. Mr. Towie warned shareholders that even with a 5 per cent participation level, the demands on the company's cash resources will be considerable.

These resources are now considerable. Following share issues, "the company's liquidity has increased to more than A$2.75m (£1.6m), which is the strongest financial base the company has achieved since its formation in 1969," Mr. Towie said.

Northern was able to catch the share market when investor interest in exploration companies was running strongly. It might be less fortunate now. Yesterday the Northern price declined a further 4p to 74p, which is less than half the high for this year of 165p recorded last May.

In a reiteration of company policy, Mr. Towie said it favoured spreading risk capital over a number of ventures at modest levels of participation and expenditure. To this end, Northern was continuing the search for a major partner for the Murchison iron ore project in Western Australia.

At the same time Northern is seeking to secure an interest in proven coal deposits.

THE JOBS COLUMN

The international league of head-hunters

BY MICHAEL DIXON

WHICH ARE the principal consultancies specialising in the recruitment of managers and specialists? That question is regularly thrown at the Jobs Column by, presumably ambitious, readers in various parts of the world.

Unfortunately it is not one I have felt competent to answer comprehensively. The main reason, to be honest, has been that the operations of the major head-hunters tend to be scattered around the U.S. and elsewhere internationally, and so are considerably farther-flung than I am, as yet anyway.

A second, more sensitive inhibition is that regardless of the terms in which it is expressed, information provided by a column like this tends to become viewed as a recommendation. And with all due respect to professional head-hunters, I do not generally have the personal experience of their services which is surely the only *sound basis for any recommendation.*

However, estimates of the top executive-recruiters' billings in the 1977 tax year have just been produced by Jim Kennedy for his U.S. newsletter, Consultants News (Templeton Road, Fitzwilliam, New Hampshire 03447—telephone (603) 585 2200). So *I am drawing on his figures to* supply the oft-requested data in the accompanying "world's top twenty" league table.

	Fee billings (in U.S. $ million) U.S.	Elsewhere	Total
P.A. International	0.2	11.8	12.0
Heidrick and Struggles	10.0	1.8	11.8
Egon Zehnder	0.3	11.2	11.5
Spencer Stuart	4.5	6.7	11.2
Korn/Ferry	7.0	3.0	10.0
Ward Howell/Consulting Partners	3.2	5.6	8.8
Boyden	4.0	4.1	8.1
MSL	1.0	7.0	8.0
Russell Reynolds	5.6	1.5	7.1
Arthur Young	2.4	3.7	6.1
Coopers and Lybrand	4.0	2.0	6.0
Billington Fox and Ellis	2.8	2.9	5.7
Peat Marwick Mitchell	3.0	2.0	5.0
Eastman and Beaudine	2.4	2.2	4.6
Ernst and Ernst	2.4	0.7	3.1
Paul Ray	2.7	0.4	3.1
Booz Allen and Hamilton	2.3	0.3	2.6
Lamalie	2.2	—	2.2
Staub Warmbold	2.2	—	2.2
Canny Bowen	1.4	0.6	2.0

In making his estimates, by the way, the redoubtable Mr. Kennedy points out that in the cases of Ward Howell/Consulting Partners, Billington Fox and Ellis, and Eastman and Beaudine, the companies' operations outside the U.S. were conducted by affiliates which were not wholly owned subsidiaries. And while he ventures no figure for the total world-wide value of the executive-recruitment business, he puts its worth in the U.S. alone at more than $300m a year.

Lest any of the above-mentioned questioners are thinking of furthering their ambitions by asking to have their names and track records placed on top head-hunters' registers of willing candidates, I will point out that consultancies seem to fill only a minority of the jobs they are asked to handle with a candidate from their data bank. The proportion thus filled is generally no more than 15 to 20 per cent, although I cannot see why going on the register should do an ambitious promotion-seeker any harm.

And, as I said, the information I have made available via Mr. Kennedy can be viewed only as information. The only one of the accompanying "world's top 20" whose services I have sampled for myself is MSL, who interviewed me as a candidate about a dozen years ago.

They did make a somewhat *outré* remark about the pipe I was smoking at the time—"in shape and conduct, of undergraduate standard." Apart from that I certainly have no misgivings, although I do wish that they had spelt out precisely what they meant by another comment about me. As colleagues have since observed, the phrase "potentially fit to open the highest doors" might be merely a recommendation for employment as a commissionaire in the penthouse executive suite of some sky-scraping corporate headquarters.

But my satisfactory experience of MSL does not, of course, give me the slightest idea of how its services compare with those of other consultancies. So let it be clear that all I am concerned with here is the estimated relative business size of the leading head-hunters, and with nothing else whatsoever.

Another code?

BEFORE leaving the topic of head-hunters, I will air a recently received proposal. It is that now the Institute of Personnel Management has launched the code of practice to promote good relations between job-candidates and recruiters, this column might usefully try to originate another code with the aim of improving relations between employing concerns and recruitment consultancies and agencies.

Personally, I would have thought it best to leave arrangements between employers and the "middle men" of the employment market to be worked out by the particular parties concerned. But numerous people evidently believe that *there is a need for some central* guidelines.

So the matter is hereby thrown open for debate. I would be grateful to hear from readers on either side who are in favour of such a code and have reasoned arguments about what it should include. If there are enough of them, the Jobs Column will then see what it can do to further the idea.

Euretirement

EUROCRATS anxious about youth unemployment are doubtless in haste to put into force some work-sharing device such as earlier retirement. After all, it may not be long before the growing numbers of European "oldies" wake up to their increasing political leverage and follow the apparent example of their American counterparts in securing the right to work on well beyond the present retirement ages.

Sadly *for the Brussels Commission,* however, an official survey just published shows the EEC throughly split on the issue of retirement. True, people *in Luxembourg,* Holland and Belgium seem relatively optimistic about retiring from work. But those in the UK, France and Germany are relatively less happy about the idea; and Italians and Danes dislike it even more.

Ireland, in the commission's words (please note that I did not say this): "records a particularly high level of 'don't knows'."

Those questioned in the nine EEC countries were also asked whether, given economic improvement, they thought it better to increase pay or to reduce working hours.

It turned out that, of all who answered, 52 per cent favoured shorter hours, with only 42 per cent opting for higher pay, and the balance was tilted the same way throughout all the income groups represented in the survey. In national terms, however, Ireland, Italy and Luxembourg preferred more money.

On the issue of the best way to reduce working hours, about 37 per cent of the whole sample wanted a shorter day or week, about 33 per cent favoured a lower retirement age, and only a quarter opted for longer holidays. But here again the nations were split, with Luxembourg, France and Belgium giving top place to earlier retirement; Ireland, the UK and Denmark preferring shorter hours; and the rest inconclusive.

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No. 003656 of 1978

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Ref: RGW/AJB. Tel: 01-405 3813.
Agents for: J. N. B. SPARKS,
Bedminster, Bristol, BS99 7JR,
Solicitors for the Petitioner.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm, the name and address of the firm and must be signed by the person or firm, or his or their solicitor (if any) and must be served or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 15th day of December, 1978.

No. 003596 of 1978

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of ALTONBOROUGH BUILDERS LIMITED and in the Matter of The Companies Act. 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 9th day of November 1978, presented to the said Court by ERITH & COMPANY LIMITED whose registered office is situate at 330 High Road, Leytonstone, London E11 3EQ, Builders Merchants, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL, on the 11th day of December 1978, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by his counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

BRABY & WALLER,
2-3, Hind Court,
Fleet Street,
London EC4A 3DS,
Ref: F/TTH Tel: 01-583 8311,
Solicitors for the Petitioner.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm the name and address of the firm and must be signed by the person or firm, or his or their solicitor (if any) and must be served or if posted must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 8th day of December 1978.

No. 003649 of 1978

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of STROVER RESTAURANTS LIMITED and in the Matter of The Companies Act. 1948.

NOTICE IS HEREBY GIVEN that a Petition for the winding up of the above-named Company by the High Court of Justice was on the 15th day of November 1978 presented to the said Court by TRUST MEAT COMPANY LIMITED, wholesalers of meat, and ALL-VINI COMPANY LIMITED, importers of wines and provisions, both of whose Registered Offices are at 33-34 Chancery Lane, London, W.C.2, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London, WC2A 2LL on the 18th day of December 1978, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing in person or by his Counsel for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

SILVERMANS,
11 High Street, Barnet,
Herts. EN5 5UJ.
Ref GMS 590 L Tel 01-440 0942
Solicitors for the Petitioners

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on or send by post to the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm, the name and address of the firm, and must be signed by the person or firm, or his or their solicitor (if any), and must be served or if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 15th day of December 1978.

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In accordance with the provisions of the Certificates, notice is hereby given that for the initial six months interest period from 21st November 1978 to 21st March 1979 the certificates will carry an interest rate of 12¼% per annum. The relevant interest payment date will be 21st March 1979.

Kleinwort, Benson Limited
Agent Bank

THE COLNE VALLEY WATER COMPANY

NOTICE IS HEREBY GIVEN that the Transfer Books of all the Debenture Stocks of the Company will be closed on 5th December, 1978, for one day only for the preparation of the Warrants for Interest payable on 1st January, 1979.

The Transfer Books of the 9% Redeemable Preference Stock 1978 will be finally closed on 5th December, 1978, for the Dividend payable on 1st January, 1979.

Dated this 21st day of November, 1978.

W. A. COSGROVE, Secretary.
Blackwell House,
Aldenham Road,
Watford,
Hertfordshire WD2 2EY.

LEGAL NOTICES

No. 003642 of 1978

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of SANLINO (IMPORT & EXPORT) LIMITED and in the Matter of The Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 15th day of November 1978, presented to the said Court by J. TURNER & CO. (WINES) LIMITED of 56 Wapping High Street, London, E.1. and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL, on the 18th day of December 1978, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by his counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

STONEHAM LANGTON & PASSMORE,
8 Bolton Street,
London W1Y 8AU.
Ref: MM.
Solicitors for the Petitioner.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm the name and address of the firm and must be signed by the person or firm, or his or their solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 15th day of December 1978

No. 003503 of 1978

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of SHERWOOD SECURITIES (MIDLANDS) LIMITED and in the Matter of The Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 10th day of November 1978, presented to the said Court by THE CITY OF BIRMINGHAM DISTRICT COUNCIL, Council House, Birmingham, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL, on the 11th day of December 1978, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by his counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

SHARPE PRITCHARD & CO.,
109 Kingsway,
London WC2B 6PZ,
Ref: 14RR/ORT,
Agents for: F. H. WILSON,
Paradise Circus,
Queensway, Birmingham B3 3EH.
Solicitor for the Petitioner.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm the name and address of the firm and must be signed by the person or firm, or his or their solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 8th day of December 1978

COMPANY NOTICES

GENERAL MOTORS CORPORATION

NOTICE IS HEREBY GIVEN that resulting from the Corporation's Declaration of a DIVIDEND of $1.00 (gross) per share of the Common Stock of the Corporation plus a special Dividend of $1.50 payable on 10th December, 1978, there will become due in respect of BEARER DEPOSITARY RECEIPTS a gross distribution of 12½ cents per unit.

The Depositary will give further NOTICE of the STERLING EQUIVALENT of the net distribution per UNIT payable on and after 13th December, 1978.

THE CORPORATION'S THIRD REPORT FOR 1978. Authorised Depositaries are assisting in the distribution of this report to holders of Bearer Depositary Receipts. Copies may also be obtained from Barclays Bank Limited.

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Notice is given that the Ordinary Share Transfer Books of the Company will be closed from 23rd November 1978 to 13th December 1978, both dates inclusive.

By Order of the Board
R. PROCTOR,
Secretary.

ART GALLERIES

AGNEW GALLERIES, 43, Old Bond St., W.1. 01-629 6176. DUTCH AND FLEMISH PICTURES FROM SCOTTISH COLLECTIONS. A loan exhibition in aid of the National Trust for Scotland Until 8 December. Entrance fee 50p And FRAGONARD DRAWINGS for Orlando Furioso. Until 15 December Mon.-Fri. 9.30-5.30 Thurs. until 7.

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THE PARKER GALLERY, 2 Albemarle Street, Piccadilly, W.1. Exhibition of Old marine, military and sporting and topographical prints and paintings and ships models.

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COLNAGHI, 14, Old Bond Street London W.1. 01-491 7408. PICTURES FROM THE GRAND TOUR. 14 Nov.-16 Dec Mon.-Fri. 10.00-6.00 Sats 10.00-1.00

DAVID CARRITT LIMITED, 15 Duke Street, St. James's, S.W.1. SEURAT Paintings and Drawings. Until 15 December Mon.-Fri. 10-5.

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INTERNATIONAL FINANCIAL AND COMPANY NEWS

NORTH AMERICAN NEWS

Hudson's Bay terms put $337m tag on Simpsons

BY ROBERT GIBBENS. MONTREAL, Nov. 20.

THE HUDSON'S BAY company has disclosed terms for its bid for the Simpsons Ltd. department store group which set a total value of C$388m (US$337m).

The value per Simpsons share in cash and Bay stock is about C$8.27 based on the closing price for Bay shares last Thursday.

Trading in the shares of both companies has been halted since last week. The Bay bid appears to offer advantages to public stockholders over the rival merger proposal between Simpsons and Simpsons-Sears.

The Bay bid requires a minimum 60 per cent acceptance by Simpsons stockholders, among whom the largest group is represented by the Burton family, of Toronto and Montreal.

Earlier, Simpsons had proposed to merge with Simpsons-Sears, its half-owned affiliate and a more successful company in terms of growth and earnings. Terms of that merger would be a share-for-share exchange with Simpsons-Sears as a continuing company. Because Sears Roebuck, of the U.S., would retain a holding of about one-third in the merged company, the deal is subject to Foreign Investment Review Agency clearance.

The Bay is now offering Simpsons shareholders one Bay common share and either two Bay preferred or one preferred share plus C$22.50 cash, for every eight Simpsons common shares held.

The Bay preferred shares would be entitled to cumulative dividends at an anual rate of 8 per cent or C$1.80 a share and would be redeemable at the option any time after December 31, 1983, for C$22.50 a share, plus an initial premium on a sliding scale.

The Bay said it had applied for a tax ruling to provide Simpsons' Canadian shareholders with a tax free roll-over of their shares exchange for Bay shares.

The company expects to mail the formal offer to Simpsons' shareholders on or about November 27 and the bid will expire three weeks later

Kennecott seeks Exxon officer

BY JOHN WYLES. NEW YORK, Nov. 20.

MR. THOMAS D. BARROW, who resigns next week as a senior vice-president of Exxon Corporation, has emerged as the apparently reluctant nominee for the post of chief executive of Kennecott Copper Corporation.

With speculation about his possible appointment increasing, the Kennecott Board issued a terse statement on Friday saying that the company was negotiating with Mr. Barrow, "looking to his becoming chief executive of Kennecott this year." Chief executive functions in the troubled copper company are currently shared by Mr. Frank Milliken, chairman, and Mr. William Wendel, president.

Both are scheduled to retire next year, Mr. Milliken in January and Mr. Wendel in November, and the prospect of a renewal of the proxy battle with Curtiss-Wright has made the succession an urgent matter, since the Kennecott Board apparently feels that a new chief executive will better ensure shareholder loyalty to the incumbent directors.

Kennecott has asked a U.S. Appeals Court to delay an order calling for a fresh election of directors so that it can appeal to the U.S. Supreme Court. If the Appeals Court refuses, then a date for a fresh proxy battle will be set by a Federal District Judge.

Despite Kennecott's approaches, present indications are that 54-year-old Mr Barrow is reluctant to change his plans to retire from Exxon so as to return to Texas to manage the estate of his late father, who died last march and who was chairman of the Humble Oil and Refining Company.

Kennecott's difficulties in appointing a chief executive from outside the company stem partly from a reluctance among qualified executives to be plunged into a messy and damaging proxy battle with Curtiss-Wright, the New Jersey company, which owns 9.9 per cent of Kennecott's stock, and is pressing its own list of directors, who are committed to selling off Kennecott's Carborundum subsidiary.

Department store earnings up

NEW YORK, Nov. 20.

THE LATEST round of third-quarter results from the department store sector bears out indications of a steady growth in sales and earnings throughout the industry.

May Department Stores, the St. Louis-based group whose interests now include 19 of Jewel Company's self-service stores, has pushed earnings ahead by 13 per cent to $18m for the third quarter, with share earnings ahead from 70 cents to 80 cents. A rise of 14 per cent brought sales to $618.8m. At the nine-month stage, May shows a 6.2 per cent rise in earnings to $35.3m, or $1.57 against $1.35. This in part reflects a poor first quarter when severe weather and the national coal strike hit earnings.

From Minneapolis, Dayton-Hudson reports a rise of 8.8 per cent to $34.7m, or $1.04 against $0.97 in third-quarter earnings. Sales, at $708.4m, show a 13.7 per cent gain.

Marshall Field of Chicago reports a 10 per cent increase in earnings to $5.3m, or $0.59 a share against $0.53. Sales rose by $13m to $180.1m.

For nine months, earnings stood at $7m, 10 per cent over last year, or $0.77 a share against $0.71. Sales, at $484.4m, show a rise of 8 per cent.

Agencies

Fruehauf chiefs quit after fraud case

By Stewart Fleming

NEW YORK, Nov. 20.

THE CHAIRMAN and the chief executive officer of Fruehauf Corporation, Mr. William Grace and Mr. Robert D. Rowan, have resigned following the U.S. Supreme Court's decision not to hear an appeal on their convictions for defrauding the Government of $12.3m of excise taxes.

Fruehauf is a leading U.S. producer of truck trailers, and last year reported sales of $1.8bn and net profit of $61m.

The chairman and the chief executive officer, who is also president of the company, have both been facing gaol terms following their conviction in 1975 for evading Federal excise taxes between 1956 and 1965. The Government had alleged in the case that the two men had tried to evade taxes by employing complex pricing and accounting procedures and including non-existent extra service charges.

The company has named Mr. Walker L. Cisler, an 81-year-old Detroit business leader, as acting chairman to replace Mr. Grace (70) and Mr. Frank P. Coyer Jr. (58) has been named acting president and chief executive. They are expected to serve until permanent new officers can be appointed.

New chief executive for Max Factor

By Our Own Correspondent

NEW YORK, Nov. 20.

MAX FACTOR, the world-wide cosmetics concern, has once again turned to its arch rival, Revlon, for a new chief executive. The company, a subsidiary of conglomerate Norton Simon, which last year bought the Avis car hire business, has named Mr. Dale Ratliff to succeeds Mr. Sam Kalish as president and chief executive officer.

Mr. Kalish's resignation was announced at the end of May, amid indications that once again Max Factor was having difficulty trying to maintain its profits. In its last financial year, the company's cosmetics profits slumped from $31m to $12.6m on sales of around $350m.

Norton Simon, whose interests range from food manufacturing to the fashion design house of Halston, bought Max Factor in 1973. Mr. Chester Firestein was recruited to run the business, but two years of stagnant earnings resulted in his departure in 1975.

Mr. Kalish was then recruited from Revlon to run the business, but after an initial success with a development programme involving the introduction of a new product line and a management reorganisation which led to the departure of 75 executives, Norton Simon reported that a new marketing policy had had an unfavourable impact on profitability. Subsequently, it announced Mr. Kalish's resignation.

The new chief executive is one of Revlon's top ranking sales executives.

Setback in non-life insurance

By Our Own Correspondent

NEW YORK, Nov. 20.

THE U.S. property and casualty insurance business, which could face renewed losses next year, has suffered a net underwriting loss after policyholders' dividends of $9.2bn in the last 25 years.

According to the 1978 edition of Insurance Facts, published by the Insurance Information Institute, profits and losses in property and casualty insurance have been subject to far greater fluctuation than virtually any other business sector, including banks, utilities and industrial companies.

Property and casualty insurers in the U.S. enjoyed their most profitable post-war year in 1977, with underwriting earnings of $1.12bn. However, these came on the heels of a highly damaging three-year cycle, when losses totalled more than $9bn. Since only four of the last 15 years have been profitable the book *claims that companies have only* been able to maintain operations through the investment of capital and surplus accounts, together with money set aside as loss reserves and unearned premium reserves.

The industry is worried about the impact of inflation on its operations, and only last week the chairman of Allstate, the Sears Roebuck insurance subsidiary, predicted that the rapid inflation of claims costs could drive the industry back into a period of renewed underwriting losses.

Citing some of the inflationary pressures, the book points out that although the overall cost of living in the U.S. climbed by 6.8 per cent in 1977, car repair and maintenance costs rose 8.2 per cent, medical care by 8.8 per cent, semi-private hospital rooms 10.8 per cent and physicians' fees by 9.2 per cent. Despite the fact that all of these costs bear on car insurance, premiums in this area had risen by just 7.5 per cent.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month. Closing prices on November 20

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Aga Akt. 9½ 88	25	95½	96½	0	+0½	9.88
Australia 8.45 83	175	97½	98	+0½	+0½	9.27
Australia 9½ 93	75	99½	100	0	+0½	9.37
Beatrice Foods 7½ 83	100	95½	96½	0	+0½	8.89
CECA 8½ 87	50	94½	94½	0	+0½	9.71
CECA 9 93	25	97½	98½	+0½	+0½	9.26
CECA 9½ 98	25	98½	99	0	+1	9.38
CNT 9 93	75	96½	97½	+0½	+1½	9.39
Canada 9 83	250	98½	98½	0	+0½	9.22
Canada 8.20 83	250	95½	96	−0½	−0	9.27
Canada 8½ 98	250	94½	95½	+0½	+0½	9.36
Canada 9 83	400	100	100½	+0½	+0½	9.13
Canada 9½ 98	150	100½	101½	+0½	+0½	9.86
Canadair 9½ 83	70	95½	96	−0½	+1½	9.67
Dominion Bridge Co. 9 86	25	93½	94	−0½	+0½	10.26
EIB 8½ 85	100	96½	97½	+0½	+0½	9.45
EIB 9½ 98	125	98½	98½	+0½	+1	9.51
EIB 9½ 98	100	[illegible]	100	+0½	+1½	9.50
Elsam Jutland 9 85	25	95½	96½	0	+0½	9.39
Eksportfinans 9 86	50	97	97½	−0½	+0½	9.60
Finland 8½ 83	100	97½	98½	+0½	+1½	9.51
Finland 9 88	100	97½	97½	+0½	+0½	9.59
Hospital O/S 9 83	25	96½	96½	0	+1½	9.97
Ital-Finance 9½ 95	25	[illegible]	94½	−0½	+0½	10.71
Ital Finance 9½ 98	25	92½	93½	+0½	+1½	11.12
J. C. Penney 8½ 83	100	97½	[illegible]	+0½	+0½	9.12
Mac Bloedel 9½ 93	50	99½	99½	+0½	+2	9.43
NZ Dev. Fin. 8½ 83	20	94	94½	−0½	+0½	[illegible]
NZ Dev. Fin. 8½ 85	20	94	94½	−0½	+0½	9.38
Nat. West. 9 86	75	97½	98	0	+1½	9.41
Newfoundland 9½ 90	50	98½	98½	+0½	+1½	9.47
Nord Inv. Bk. 8½ 86	25	97½	97½	0	+0½	9.16
Norges Komm. 9½ 93	75	98½	99½	+0½	+1	9.51
Norway 7½ 83	250	94½	95½	+0½	+1½	9.31
Norway 8½ 83	150	98½	98½	+0½	+2	9.36
Occidental 8½ 85	75	92½	93½	+0½	+0½	10.09
Ont. Hydro 8½ 88	125	96½	96½	−0½	+0½	9.24
Quebec Hydro 9½ 93	50	99	99½	+0½	+2½	9.58
Sweden 9½ 88	125	99½	99½	+0½	+1½	9.54
UK 8½ 85	200	96½	97½	+0½	+0½	9.36
UK 8½ 88	150	97½	98½	+0½	+0½	9.35

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Argentina 6½ 88	150	94½	95½	−0½	−0½	7.20
Asian Develop. Bk. 6½ 88	100	98½	99½	+0½	0	[illegible]
Australia 6 88	250	100½	101½	−0½	−0½	5.84
Austria 5½ 90	150	95½	96½	−0½	−0½	6.25
Bankamerica 5½ 90	150	99½	99½	−0½	−0½	5.82
Bque. Ext. Algerie 7½ 85	100	95½	96½	−0½	−0½	8.02
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FLOATING RATE NOTES	Spread	Bid	Offer	C.date	C.cpn	C.yld
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

* No information available—previous day's price.
† Only one market maker supplied a price.

Straight Bonds: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week=Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. M=Minimum coupon. C.date=Date next coupon becomes effective. Spread=Margin above six-month offered rate for U.S. dollars. C.cpn=The current coupon. C.yld=The current yield.

Convertible bonds: Denominated in dollars unless otherwise indicated. Chg. day=Change on day. Cnv. date=First date for conversion into shares. Cnv. price=Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem=Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

INTERNATIONAL CAPITAL MARKETS

Interest rate differential favours dollar flow to U.S.

BY MARY CAMPBELL

MONEY MARKET dealers are now convinced that the outflows of funds from the U.S. via the U.S. banking system have stopped. These outflows—induced by the wide differential between U.S. domestic and Eurodollar interest rates which occurred as the dollar fell earlier in the year—and reached a crescendo in October, dealers say, in the run up to the announcement of President Carter's dollar defence package on November 1.

The capital outflow which fed external borrowing of dollars for conversion into other currencies, had in turn increased the external dollar glut.

The Carter package of November 1 included moves both to raise interest rates and to increase the cost of deposits to banks within the U.S. by higher reserve requirements. This was to deter them from raising such deposits within the U.S. to redeposit them in the Eurodollar market. In this they seem to have been successful.

What is by no means clear yet, however, is whether any inflow of dollars from the international markets to the U.S. has yet started while the position of U.S. corporate treasurers is another factor to be taken into account.

The one point on which *dealers are agreed is that*, at the key three-month maturity, there is a small differential in favour of U.S. banks taking funds back to the U.S. Nominally, Eurodollar rate sremain substantially above comparable U.S. domestic money market rates. But the fact that U.S. banks can use only 92 per cent of their domestic funds (the rest being taken up by reserve requirements) and that there are other costs such as Federal Deposit Insurance, means that it is slightly cheaper for U.S. banks to borrow funds in the Eurodollar market than in the U.S.

Where reports conflict is on whether U.S banks are acting on this differential. According to some banks and dealers, it is still too small for the banks to take the trouble. Others, however, say that they are seeing substantial inflows — that for example, U.S. banks are issuing big volumes of certificates of deposit in London partly to refund their U.S. positions, though partly to lengthen their international books in the expectation of further rises in interest rates.

A further factor complicating the situation is the position of corporate treasurers within the U.S. According to some sources, these are buying the new issues of Eurodollar certifiactes of deposits. Since they do not have the extra costs of reserve requirements, they can afford to compare nominal rates of interest in the U.S. and Europe. According to this analysis, the increase in U.S. reserve requirements on bank deposits within the U.S. has institutionalised a merry-go-round where U.S. corporate treasurers invest in higher yielding Eurodollar CDs (possibly even issuing commercial paper in the U.S. to fund this activity) while U.S. banks issue CDs in Europe at costs which are lower for them than in the U.S.

Eurobonds mixed in quiet trading

By Francis Ghilès

THE INTERNATIONAL bond markets had a quiet day yesterday: prices in the dollar sector closed on a harder note than they had opened, while the reverse was true of Deutsche-Mark denominated bonds.

Prices of dollar denominated bonds rose in early trading, but fell back later in the day as the currency softened, but prices finished the day at a higher level than they had opened

A new floating rate note was announced yesterday for Mizrahi International, fully guaranteed by the parent company Mizrahi Bank, which is one of Israel's five largest. The amount of this issue is $10m, the maturity five years and the borrower is paying a coupon of ? per cent over Libor with a minimum interest rate of 6.75 per cent.

The SDR25m issue for the Swedish Investment Bank, which is due to be priced later today, has met with a good reception, according to the lead manager, Credit Suisse First Boston. The book is understood to be "comfortably oversubscribed" and the quality of demand "good."

Prices in the Deutsche-Mark sector fell back today in what dealers described as thin trading. A DM 40m convertible for Tokyo Electric is being arranged by Commerzbank: the maturity of this bullet issue is eight years and the interest rate 3½ per cent. The conversion premium is expected to be 10 per cent. The Tokyo Electric shares closed at Y390 on the Tokyo Stock Exchange yesterday. Their 1978 high was Y436 and the low was Y333.

Kerkorian seeks Columbia stake

BY OUR OWN CORRESPONDENT. NEW YORK, Nov. 20.

MR. KIRK KERKORIAN, a West Coast financier who owns stock worth $250m in Metro-Goldwyn-Mayer, the film and gambling conglomerate, today announced plans to buy a 20 per cent stake in MGM's movie rival, Columbia Pictures.

The move, which is in some ways reminiscent of Mr. Kerkorian's swoop on the troubled MGM in 1969 when its film business contributed to an annual loss of $34m, comes in the wake of a shake-up at Columbia.

Earlier in the year, Columbia was at the centre of a Hollywood scandal surrounding the conviction of one of its top executives Mr. David Begelman on charges of stealing $40,000 from the company.

The company's handling of this situation came under severe criticism and led to boardroom tensions and to the departure of Mr. Alan Hirschfield, Columbia's president from his position as chief executive.

Mr. Kerkorian disclosed today that folowing meetings over the weekend with Columbia management, he was proposing to make a $24 a share bid for 20 per cent of the company's equity. The offer compares with a share price close last Friday of $18 and puts a value ot $42m on the stake.

Mr. Kerkorian already owns about 5.5 per cent of Columbia. He plans to make the offer through his wholly-owned private company, Tracinda Investment Corporation. eH said that he has "absolutely no plans to seek working control of the corporation."

High prime rate curbs Control Data surge

MINNEAPOLIS, Nov. 20.

CONTROL DATA CORPORATION'S fourth quarter net is expected to be higher than a year ago, but down from the second and third quarter levels because of the rise in interest rates, Mr. Marvin G. Rogers, senior vice-president, finance, said in an interview.

The company earned $1.47 a share in the 1978 second quarter and $1.39 a share in the third quarter, while 1977 fourth quarter earnings were 86 cents

The higher prime rates have particularly hurt the consumer loans made by the group's Commercial Credit subsidiary, because interest charges on the loans were fixed either by earlier established rates or State usury laws.

Control Data's earnings for the full year should be "substantially ahead" of last year, said Mr. Rogers, and he estimated them to "be about 30 per cent ahead."

In 1977, Control Data reported operating earnings of $3.62 a share on total revenues of $2.30bn.

Demand for computer products remains generally strong, especially disc memory products.

Reuter

New shape emerges for France's steel industry

BY DAVID CURRY

PARIS, Nov. 20.

THE SHAPE of the restructured French steel industry is emerging from a recent series of Board meetings. The basic outlines of the merger between Usinor and Chatillon Neuves-Maisons are now clear, while the second big steel group, Sacilor, has installed the new management which will supervise its own reorganisation.

The important element in the latest merger is that it is being put through in the form of a Chatillon take-over of Usinor in order to permit the latter to [illegible] sets. This operation should produce some FFr 2bn ($450m) which will help to wipe out losses. Chatillon Neuves-Maisons is itself the result of a 1977 merger and its assets were [illegible] at that time.

The first operation will be to write down the Usinor capital [illegible] FFr 14bn to FFr 476m. Chatillon will then proceed with a FFr 125bn rise in capital. Subscription to this [illegible] is reserved to the creditors of the two steel groups.

The creditors will in fact, be grouped together in a new financial holding company. This was the scheme decided by the Government. Eventually, there will be two overall holding companies, one for Usinor-Chatillon and one for Sacilor, with a combined capital of FFr 2bn.

The FFr 1.285bn to be taken by the Usinor and Chatillon creditors will give them a 67 per cent stake in the merged activities of the two groups. These new shares will command no dividend for five years but thereafter will receive a priority 7.5 per cent payout which may be cumulative. Anything else remaining to be shared out will go in the first place to the present shareholders of the steel companies who will retain minority positions in the new [illegible].

[illegible] the government's [illegible] plan, the loans from [illegible] like the Credit [illegible] the FDES [illegible] Fund and from the steel industry's [illegible] fund [illegible] only [illegible] interest of [illegible] for [illegible] years. The [illegible] per cent [illegible] interest payments in order to ease the burden of financial charges on the [illegible].

The [illegible] shareholder in [illegible] at the moment, Denain Nord-Est Longwy, is abandoning one credit of FFr 200m to the company and is to receive interest of only 0.1 per cent a year for five years on half of a remaining FFr 125m credit.

Shareholders in Usinor are being called to an extraordinary session on December 29 to approve the merger proposals, the capital write-down, and to extend the financial year to the end of June 1979 to permit the restructuring operations to go ahead.

Usinor has already replaced its senior management, with M. Claude Etchegaray, the chairman of Chatillon, taking over additionally as chairman of Usinor. At a later stage the financial restructuring will be completed with the formation of a second-level holding company to bring together the interests of the existing shareholders, but in which the new holding company will still control 51 per cent.

Sacilor has itself replaced its management with new people appointed by the creditors. The new chairman is M. Jacques Mayoux, a financial technocrat with more than a dozen years' experience as head of the Credit Agricole.

Sacilor will also write down and then increase its capital. The timetable for this operation, however, has not been fixed in view of the problem that Sacilor *has in dealing with holders of* convertible bonds.

Ennia sees increasing foreign activity

By Charles Batchelor

AMSTERDAM, Nov. 20.

ENNIA, the Dutch insurance group, expects the foreign share of its turnover to increase further from the present 20 per cent, Mr. A. W. Dek, joint president of the managing board, said in a speech prepared to mark the listing of Ennia share certificates on the stock exchanges of Zurich, Geneva and Basle.

Growth in Holland will continue, although a further decline in the inflation rate in Holland may mean a slower rate of domestic expansion, he added. Ennia expects about 90 per cent of turnover will come from insurance business with the accent remaining on life assurance.

Non-insurance operations will rise to just over 10 per cent from the present level of 7 per cent although the company will remain in activities related to insurance or to its activities as an institutional investor.

Greater profitability is expected from non-life business following recent premium increases, greater market discipline, a reassessment of the profit potential of its product range and a relative lowering of costs.

The higher profits will probably be reflected in higher dividends. But in order to finance further expansion Ennia will strengthen shareholders' funds by retaining profits and possibly also by offering stock dividends. This is expected to lead to an increase in the intrinsic value of the shares, Mr. Dek said.

Ennia expects to have to tap the capital market "now and then," although no issue of shares or convertible bonds is expected in the short-term. In the framework of the internationalisation of its activities it is important to have access to foreign capital markets, Mr. H. Gerritsen, joint president said.

Ennia is the first Dutch insurance company to be quoted on the three largest Swiss stock exchanges. It gained a listing in London in 1975. Net profit rose 19 per cent to Fl 22m ($10.6m) in the First half of 1978 on gross receipts which were also 19 per cent higher at Fl 1.08bn ($520m).

Ericsson earnings fall as orders rise steeply

BY WILLIAM DULLFORCE

STOCKHOLM, Nov. 20.

L. M. ERICSSON, the Swedish telecommunications group, today reported a decline in earnings from SKr 434m to SKr 400m ($90m) for the first nine months of 1978, with group sales climbing by 10 per cent to SKr 5.88bn ($1.35bn). This profit works out at 6.8 per cent of sales compared with 8.1 per cent for the corresponding period of last year and 7.1 per cent for the whole of 1977.

The reported profit includes SKr 95m of losses incurred when translating the foreign subsidiaries' balance sheets into kronor. If these losses are eliminated, the earnings decline is somewhat smaller, from SKr 515m to SKr 495m. The company believes that the pre-tax profit for 1978 as a whole will be larger than last year's when recorded in this fashion before the translation losses.

The pre-tax figure for the nine months also includes a currency loss of SKr 84m made on the early repayment of a SwFr 155m long term loan by the parent company. There was no corresponding loss in last year's account. The operating profit for the period, however, reflects a decline of SKr 59m to SKr 619m.

Other factors helping to boost the pre-tax figure were an income of SKr 66.6m from Ericson's share in subsidiaries not consolidated in the accounts and an improvement of SKr 72m in interest income which outpaced the SKr 29m rise in interest charges.

The most positive development for Ericsson during the nine-month period has been the order intake, which amounted to SKr 7.95bn, 48 per cent up on the figure for the corresponding period of last year. About half the increase is attributable to the big Saudi Arabian contract. At the end of September, Ericsson's order book totalled SKr 10.4bn.

Group investments during the period came to SKr 359m, a slight decline, but a major part of the spending went to the development and production of new systems by the parent company. The group held liquid assets totalling SKr 1.34bn at the end of September compared with SKr 1.16bn at the beginning of the year. There was a further decline of about 809 in the workforce, which numbered 65,180

Rumasa to re-examine property purchase

By Robert Graham

MADRID, Nov. 20.

NEGOTIATIONS for the takeover by Rumasa, Spain's largest private holding company, of the Banus property group have run into difficulties. A Rumasa spokesman said today that the original basis for the deal was being completely re-examined.

It appears that the Bank of Spain in an advisory capacity has raised certain objections. The Bank of Spain cannot intervene directly, but the head of Rumasa, Sr. Jose Maria Ruiz-Mateos, is understood to have approached the Bank of Spain for an opinion on the proposed deal.

As a result of this, the group has had second thoughts about the Banus takeover under the existing terms. Banus is one of the country's largest property development companies with interests in property in Madrid and the Costa Del Sol where it owns the luxury tourist development, Puerto Banus.

Sr. Jose Banus who established the group approached Sr. Ruiz-Mateos several weeks ago *on a prospective takeover.*

IMI bond issues

ISTITUTO Mobiliare Italiano (IMI) has launched two open-ended bond issues with record coupons of 13 per cent, Reuter reports from Rome. The bonds are being sold direct to banks priced to give effective overall *yields of 13.35 per cent and 13.45 per cent.*

Rapid growth for Esselte

BY OUR NORDIC CORRESPONDENT

STOCKHOLM, Nov. 20.

ESSELTE, THE Swedish office equipment, packaging and printing group which has been expanding rapidly abroad over the past three years, reports a 31 per cent increase in pre-tax earnings and a 44 per cent climb in turnover for the first half of its financial year to September 30.

Mr. Sven Wallgren, the managing director, expects the profit growth rate to be maintained during the second half to give final pre-tax earnings of around SKr 220m ($51m) for 1978-79, with group sales moving up to SKr 3.6bn ($830m).

This result would correspond to SKr 35 a share compared with SKr 27 a share last year. After extraordinary items and adjustments for currency variations, earnings should be around SKr 226m, representing an increase of SKr 70m over 1977-1978. The forecast includes 10-month figures for Dymo Industries, the San Francisco company which Esselte acquired for $62m in June. Dymo is expected to contribute SKr 825m to the SKr 3.6bn group turnover.

The purchase of Dymo has sparked off a group reorganisation, planned to come into effect next April, which will divide *Esselte into 12 operating divisions.* Two Dymo divisions—graphic systems and business systems—are to be sold because their profitability is poor.

During the first half, the group operating result of SKr 116m was rather better than forecast. Net interest costs were up by SKr 18m from the corresponding period of the previous financial year to give earnings of SKr 96m against SKr 73m on a SKr 1.6bn turnover. Exchange rate adjustments resulted in a gain of SKr 12m against a loss of SKr 21m, so that the pre-tax figure after extraordinary items comes out at SKr 108m against *SKr 53m.*

Linde to meet profits target

BY GUY HAWTIN

FRANKFURT, Nov. 20.

LINDE, the Wiesbaden-based plant, engineering and construction concern, looks set to fulfil its prediction of "satisfactory profits" for 1978. Although West Germany is unlikely to achieve the Government's target of 3.5 per cent economic growth rate, Linde's sales and orders have shown exceptionally strong expansion.

The group said today that business during the first nine months of the year had matched expectations. Turnover was up by 15.4 per cent over the comparable period of 1977 to DM 1.34bn ($687.7m), while the inflow of orders surged by 26.3 per cent to DM 1.51bn. Sales growth of 10 per cent is forecast for the year as a whole.

Last year was the group's best ever, with earnings exceeding the management's expectations—pre-tax profits were up from DM 60.4m in 1976 to DM 94.9m. However, Herr Hans Meinhardt, Linde's chief executive, said in April that he was unwilling to forecast the 1978 outcome, partly because of uncertainty in the foreign exchange markets.

Sales and order growth, the company said, was considerably influenced by large contracts in the plant construction sector. *Indeed, turnover in this sector* was up by 27.4 per cent to DM 406.6m, while bookings increased by 65.6 per cent to DM 514.5m.

In the mechanical engineering and vehicle construction sector, sales rose by 12.3 per cent to DM 505.7m and the order inflow during the period was up 10.7 *per cent to DM 550.3m.*

Capital investment during the first nine months amounted to DM 56m, whereas the year's capital expenditure is expected to total DM 100m, with depreciation running at DM 75m.

Belgian stakes in Knogo

BY GILES MERRITT

BRUSSELS, Nov. 20.

IN A DEAL that clearly reflects Belgium's concern with the fall-off in foreign investment, two major Belgian interests have together taken a 16 per cent stake in the Knogo Corporation of New York. This will enable the U.S. company to establish a Belgian manufacturing operation.

The Societe de Developpement de la Region Wallonne, a Belgian governmental agency, and the merchant banking arm of Sofina, an industrial holding company with international interests, have jointly bought 325,000 shares of Knogo common stock for BFr 160m ($5.3m).

At the same time, Belgium's industrial development bank, the Societe Generale de Credit a l'Industrie, is to provide a BFr 230m long-term loan to the Belgian subsidiary which Knogo is setting up in the Mons region to produce its range of security systems and anti-theft devices.

The planned BFr 550m Knogo plant is expected to employ 160 people at first, and has a targeted labour force of 400 within five years.

EUROPEAN CHEMICALS

Beginnings of a recovery in demand

BY SUE CAMERON, CHEMICALS CORRESPONDENT

As two of the three major West German chemical companies, BASF and Bayer, prepare to unveil their results for the third quarter of this year, our chemicals correspondent assesses the prospects for the chemical industry in Europe.

THIS TIME last year the European chemicals industry was in much the same position as Mr. William Gladstone when he lay on his deathbed murmuring: "I feel a little better now."

Not that the industry was facing death but it was indulging in a similar, unfounded optimism—an optimism that quickly evaporated when final quarter results for 1977 showed a sharp deterioration in the chemicals *business throughout* Western Europe. Twelve months on, most of the chemicals majors are extremely wary of predicting any significant upturn yet there is now evidence that the picture is beginning to look brighter.

Chemical companies are still facing the twin evils of over-capacity and low prices in bulk products but volume sales are starting to show an improvement. Increases in the price of naphtha—the main *petrochemical feedstock*—have brought the industry face to face with the problem of making its own price rises stick at a time of surplus. Attempts to put up prices earlier this year were unsuccessful in many sectors but there are now signs that modest increases in such areas as the major polymers will hold.

In some cases prices have still not risen high enough to cover costs and profit margins in many areas are still far from adequate. Nor is there much hope of a dramatic improvement on this front over the next few years—a point noted by Dr. Gunter Metz, a director of the West German Hoechst group, when he spoke at last month's meeting of the European Petrochemical Association in Monte Carlo.

"The period up to 1982-83 will be marked by only slight economic growth owing to the existing over-capacity in petrochemicals and the resultant unsatisfactory prices," he said.

Yet Hoechst's own profits showed an upturn at the end of the second quarter this year even though the first half of 1978 still showed a decline in overall profit. And first-half sales for the group this year were 3.4 per cent up on the first-half of 1977.

BASF (whose nine-month Press conference will be held tomorrow) has increased its tonnage in plastics materials this year although profits in this area are still being hit by weak prices. The group expects its third quarter results to show little change although it is looking to a small improvement in the fourth quarter.

The group is also looking to a 20 per cent increase in UK sales next year: this year UK sales are estimated at 14 per cent higher than in 1977. And it is expected that the UK chemical industry as a whole will, by the end of this year, emerge with volume sales that are 2.5 per cent up on those for 1977. Overall, UK chemical sales last year were 3.3 per cent up on 1976 but the last quarter of 1977 experienced a 1 per cent decline.

Bayer, the other member of the German chemicals triumvirate and whose nine month Press conference took place yesterday, showed a first half increase in world turnover of 8.2 per cent this year compared to last year but pre-tax profits were down and the group said that during the second quarter of 1978 sales prices showed a slight decline.

Akzo, the Dutch chemicals and fibres group, showed a 3 per cent increase in sales when its third quarter results were announced earlier this month and the group expects to make a profit—albeit an extremely modest one—for 1978 as a whole. Akzo is now permitting itself a degree of optimism—hedged about with a caution *that is born* of experience.

Like the other European majors, the French-based Rhone-Poulenc has been suffering from world over-capacity in basic chemicals although the overall recovery in its position is apparently being *sustained* into the second half of this year.

Meanwhile, Montedison, the partly state-owned Italian chemicals group, has perhaps been too busy facing up to its own peculiar problems of financing to provide a typical pointer to business in the rest of Europe.

But the UK's own Imperial Chemical Industries seems to be following much the same pattern as its Continental counterparts. Group sales rose during the first half of this year as compared to last year—though only very slightly—and when its 1978 half-year results were published the company commented: "After a depressed second half of 1977 and little improvement overall in the volume of group sales in the first quarter of 1978, there *was some increase in the second* quarter . . . profitability, however, continues to be limited by the effect of over-capacity on prices and by increasing costs."

ANZ leads in profit gain and hidden reserves

BY JAMES FORTH

SYDNEY, Nov. 20.

THE Australia and New Zealand Banking Group has rounded off the banking reports here for 1977-78 by disclosing the strongest profit growth and "hidden" reserves much greater than any of its private competitors. Net profit rose by 40 per cent, from A$43.7m to A$61.4m (U.S.$70m), lifting average earnings per share from 65.6 cents to 75.1 cents. The total of ANZ reserves which had not previously been disclosed was A$183.9m. The directors have declared a final dividend of 11 cents a share making a total payout for the year of 20 cents, which compares with a forecast in July, when the bank announced a one-for-eight rights issue, of at least 18 cents.

The net result was after transfers to contingencies reserves disclosed for the first time, of A$14.5m, of which $A9m was accounted for by the Trading Bank and A$5.5m by the Australian Savings Bank.

The profit before transfers to contingencies rose 43 per cent from A$53.0m to A$75.9m. On this basis the ANZ just topped its larger rival and industry leader, the Bank of New South Wales.

The Wales reported a net profit of A$72.85m, but this was after a surprisingly low transfer to contingency reserves of A$3m. Allowing for this, profit was A$75.85m.

Of the ANZ reserves A$183.9m previously not disclosed, A$100.88m represents contingencies reserves of the Trading, and A$32.8m for contingencies reserves of the Australian Savings Bank. Another A$47.0m went into provision for long scervice leave and A$2.28m in provision for non-lending losses. The only bank to top the ANZ was the Government-owned Commonwealth Banking Corporation which revealed hidden reserves of A$232.7m. The National Bank of Australasia revealed additional reserves of A$96.2m (of which the directors said that A$17.6m had previously been disclosed), the Wales A$76.7m, the Commercial Bank of Australia A$50m, the Commercial Banking Company of Sydney A$31.5m, and the smaller Bank of Adelaide A$4.7m.

The strongest growth was recorded by the Trading Bank operations where profit jumped 71 per cent, from A$10.9m to A$18.66m. The Savings Bank in Australia lifted earnings 35 per cent, from A$9.97m to A$13.5m and in New Zealand by 91 per cent from NZ$ 595,000 to NZ$ 1.14m. The finance company offshoot, Esanda, as previously reported, boosted profit 25 per cent, from A$20.2m to A$25.3m.

The directors cited a number of factors for the improvement. These included the increased proportion of total assets employed in loans and advances, the lower level of statutory reserve deposits and the higher percentage of deposits not bearing interest. Increased earnings from lines of credit and higher commercial bill activities, greater recovery of costs through fees and commissions, improved earnings from operations in the U.S. and New Zealand, and Esanda, and improved cost control were other factors. The Board added that the good increase by the Australian savings Bank reflected deposit growth and an increased volume of housing lending.

The latest result was after a 13.7 per cent lift in banking income, from A$410m to A$467m, and of 23.7 per cent in non-banking income, from A$199m to A$247m. The ANZ performed much better in the second half, when earnings rose 59 per cent, from A$21.9m to A$34.8m. In the first half, profit increased 22.1 per cent, from A$21.8m to A$26.6m.

The disclosure by the ANZ means that the private banks have revealed previously hidden reserves of almost A$400m, or one-third the previously disclosed figure of about A$1.2bn. The Commonwealth Banking Corporation adds another A$232m to this total.

Sasebo HI reports deficit of $73m

By Our Financial Staff

SASEBO Heavy Industries, the troubled Japanese shipbuilder, has announced an after-tax deficit of Y13.68bn ($72.8m) for the first-half of the financial year, compared with a profit of Y360m in the same period last year.

Sales for the six months to September 30 fell by 36.4 per cent to Y25.75bn ($137m). The interim dividend has been passed. Last year, at the same stage, Y1.5 was paid.

A plan to save Sasebo HI from going bankrupt was announced in the summer by the Japanese Ministries of Finance and Transport, including a call on a syndicate of banks to advance unmortgaged and unguaranteed loans to finance about 40 per cent of the Y8.3bn being paid to retiring workers as severance allowances.

Bond issue to aid Chisso

has decided on an amount of Y3.35bn (equivalent to some $18m) for the bond issue planned by the Prefectural Government of Kumamoto on the Japanese capital market; the Finance Ministry announced here.

The bond will be issued next month to raise funds for *Chisso Corporation, the chemical* company burdened with compensation payments to victims of the Minamata disease, a result of poisoning from mercury in waste water discharged from Chisso's Kumamoto plant in Western Japan.

Paribas eyes China business

By Anthony Rowley

HONG KONG, Nov. 20.

BANQUE de Paris et des Pays-bas (Paribas) is the latest foreign bank to open a full banking branch here, following the recent lifting of the official moratorium on such moves.

M. Herve Pinet, Paribas international president, said here that his bank hoped to develop business with China through its diverse banking and industrial interests. Paribas was interested in helping China to finance projects in various fields, including tourism, heavy engineering and textiles.

SINGAPORE GOLD EXCHANGE

New chapter about to open

BY H. F. LEE IN SINGAPORE

THE LAUNCHING of the Gold Exchange of Singapore tomorrow will usher in a new chapter in the development of the Singapore gold market. It also marks another effort by Singapore to widen the scope and diversity of its financial markets in line with the Government's desire to enhance the republic as an international financial centre.

The Singapore Gold Exchange will be the first in the Asia Pacific region to operate a comprehensive gold futures market open to international investors. Unlike the Sydney gold futures exchange, which is essentially a domestic market, the Singapore exchange will permit both local residents and foreigners to trade freely, without any restrictions. It will also offer a wide variety of settlement periods, ranging from prompt and current month to five forward positions running up to ten months.

Singapore's decision to include facilities for futures trading is also prompted by its desire to enhance the attractiveness of its exchange to investors in comparison with the highly successful Hong Kong gold exchange which currently operates only a spot market.

Another feature of the Singapore exchange will be that contracts will be denominated in U.S. dollars, unlike the Sydney and Hong Kong markets which use their domestic currencies as the basis of settlement.

Although no one expects the launch of the exchange to herald the beginning of a "gold rush," local dealers and brokers, none the less, are optimistic that given time, the Singapore Gold Exchange will be able to carve a niche in the international gold market.

This is because of the republic's long tradition as a commodity trading centre and the availability of good banking, communications and other ancillary facilities, coupled with the fact that there is already an existing gold market in Singapore.

Traditionally, the basis of the Singapore gold market has been to service physical bullion requirements, but lately interest in the "paper" market has exceeded the physical. The physical market saw peak activity in 1976 and 1977. Singapore was reputed to be the second biggest importer of gold from the London market after Switzerland in 1977. Local demand stems mainly from jewellery requirements and investment and speculative interest while a significant amount is also re-exported.

The launching of the Singapore Gold Exchange on Wednesday takes the development of Singapore as a financial centre a stage further. The exchange will be the first in the Asia Pacific region to offer a comprehensive gold futures market open to international investors. Contracts will be in U.S. dollars, while settlement will range from prompt and current month to five forward positions, running up to ten months

The growth of the Singapore market—which presently is an "unofficial" one in the sense that there is no open-cry meeting place and trading is not restricted to members of any particular association—was helped by the decision of the Government to lift restrictions on gold trading in 1973 as part of its move to encourage the growth of the market. Singapore residents can now buy and sell gold freely. There are also no restrictions on the import and export of gold.

Furthermore, the Government recently lifted practically all exchange controls, with the result that funds can now move freely in and out of Singapore, thus facilitating gold trading in international currencies.

In addition to the Singapore market, which trades in kilobars of 999.9 fineness, there is also a parallel spot market in London delivery gold operating locally. This market, which trades on London settlement terms has attracted considerable local interest.

The new exchange will also trade in gold of 999.9 fineness, in a lot size of 100 ozs, with settlement to be effected by deilvery of gold certificates issued by approved issuers, namely the five shareholder banks of the newly formed clearing house. The five are the Oversea-Chinese Banking Corporation (OCBC), the United Overseas Bank (UOB), the Development Bank of Singapore (DBS), the Overseas Union Bank (OUB) and the Bank of Nova Scotia.

The clearing house will guarantee all contracts entered into by members with each other.

The exchange will initially have five dealer members and five broker members. The dealer members are DBS Trading, OCBC Bullion, UOB Bullion, Overseas Union Bullion—all of which are subsidiaries of major local banks—and N. M. Rothschild's Singapore subsidiary, New Court Merchant Bankers.

The broker members are G. and C. Bullion, Ong Bullion, Sin Huat Rubber, URB Commodities and Holiday, Cutler, Bath and Co.—all offshoots of local rubber and commodity broking firms.

All members of the exchange must have a paid-up and maintained share capital of at least S$1m (U.S.$455,000) commission payable to members is U.S.$20 per lot of 100 oz and all members obliged to collect margin deposits from clients.

There is also provision for overseas associate membership under which non-Singapore companies may become associate members by making a one-time payment of S$10,000. Associate members will enjoy a reduced rate of commission on transactions with dealer and broker members.

With an organised market, dealers are hopeful that they will now be able to kindle more domestic interest as well as increase Singapore's share of the regional business. That the exchange is eyeing closely the regional and international markets is also underscored by its decision to have all contracts denominated in U.S. dollars and to allow for overseas associate membership. There are many investors from Singapore's neighbouring countries who are already active participants in gold markets.

However, how well the Singapore exchange will shape up internationally will depend on the ability of the local market to generate sufficient depth and sophistication, and also, on the skills of local brokers and dealers, some of whom have little experience in gold futures trading.

Dividend rise for Malaysian Tobacco

By Wong Sulong

KUALA LUMPUR, Nov. 20.

MALAYSIAN Tobacco Company, the leading cigarette manufacturer here, is increasing its final dividend from 17.5 cents to 24 cents, following another good year for profits. This brings the annual dividend to 34 cents, compared with 25 cents the previous year.

Pre-tax profits for the 12 months to September rose by 27 per cent to 52.6m ringgit ($US23.8m), with sales increasing by 12.6 per cent to just over 500m ringitt ($US226m). Profit after tax was nearly 30m ringitt.

The company says that its main brands of cigarettes continued to attract good sales, although profit margins during the second-half were reduced by rising costs of raw materials. MTC's after-tax profits during the first-half was 16m ringitt, which was 42 per cent higher than in the first half of 1976-77.

NZ Steel boost earnings

BY DAI HAYWARD

WELLINGTON, Nov. 20.

DESPITE A DROP in iron and steel production, caused by reduced demand, New Zealand Steel has increased its profits for the first six months of its financial year, helped by higher exports of iron sand.

Profits for the half-year to September 30 rose to NZ$5.2m ($5.5m) from NZ$3.8m for the same period last year.

Sales or iron sand from the company's Taharoa works increased from 750,000 tonnes to more than 1m tonnes, mainly exported to Japan.

Group sales for the six months jumped from NZ$70m last year to NZ$92m ($97m) this year. Reduced internal demand from New Zealand industry led to lower production of steel billets, iron and pipe, but galvanised products production increased.

Snow sees improvement

TOKYO, Nov. 20.

SNOW Brand Milk Products forecasts after-tax profit in the year ending next March 31 will rise to about Y2.90bn (U.S.$14.7m) from Y2.39bn last year, on sales of Y410bn, up from Y387.14bn.

The company attributed the good business performance to a rise in sales of high-grade ice-cream, stabilisation of raw material prices, a rise in exchange profits and a cost reduction.

It hopes to pay an unchanged Y6 dividend.

The company earlier reported a 36 per cent rise in after-tax profits in the first half year ended September 30 to Y1.98bn from Y1.45bn in the same 1977 period, on sales up 7 per cent to Y215.37bn from Y201.51bn.

New World moves ahead

BY RON RICHARDSON

HONG KONG, Nov. 20.

NEW WORLD DEVELOPMENT, one of the largest property owning groups in Hong Kong, earned an 8.5 per cent higher attributable net profit of HK$82.35m ($17m) in the year to June 30 and has raised its dividend from 7 to 9 cents a share.

The company, which is developing a large area of waterfront land in the tourist district of Tsimshatsui, has boosted its final payout by 1 cent to 5 cents after a similar rise in the interim payment.

New World Development seems to be anticipating the big rise to earnings that will come in the current year from rental income from the big new development, as the payout will take all but HK$3.6m of the latest profit.

Stage one of the project, the New World Centre, comprising 430,000 square feet of shopping mall, an 11-storey office building of 260,000 square feet, and a 900-room top-class hotel, is virtually complete

The second stage of the project which includes a second large hotel, is due for completion during 1980. Ownership of both the hotels is remaining within the New World group.

At balance date last year, New World's completed property portfolio was valued at cost at HK$702m while property under development was valued at HK$279m.

Bank property study

BY OUR OWN CORRESPONDENT

HONG KONG, Nov. 20.

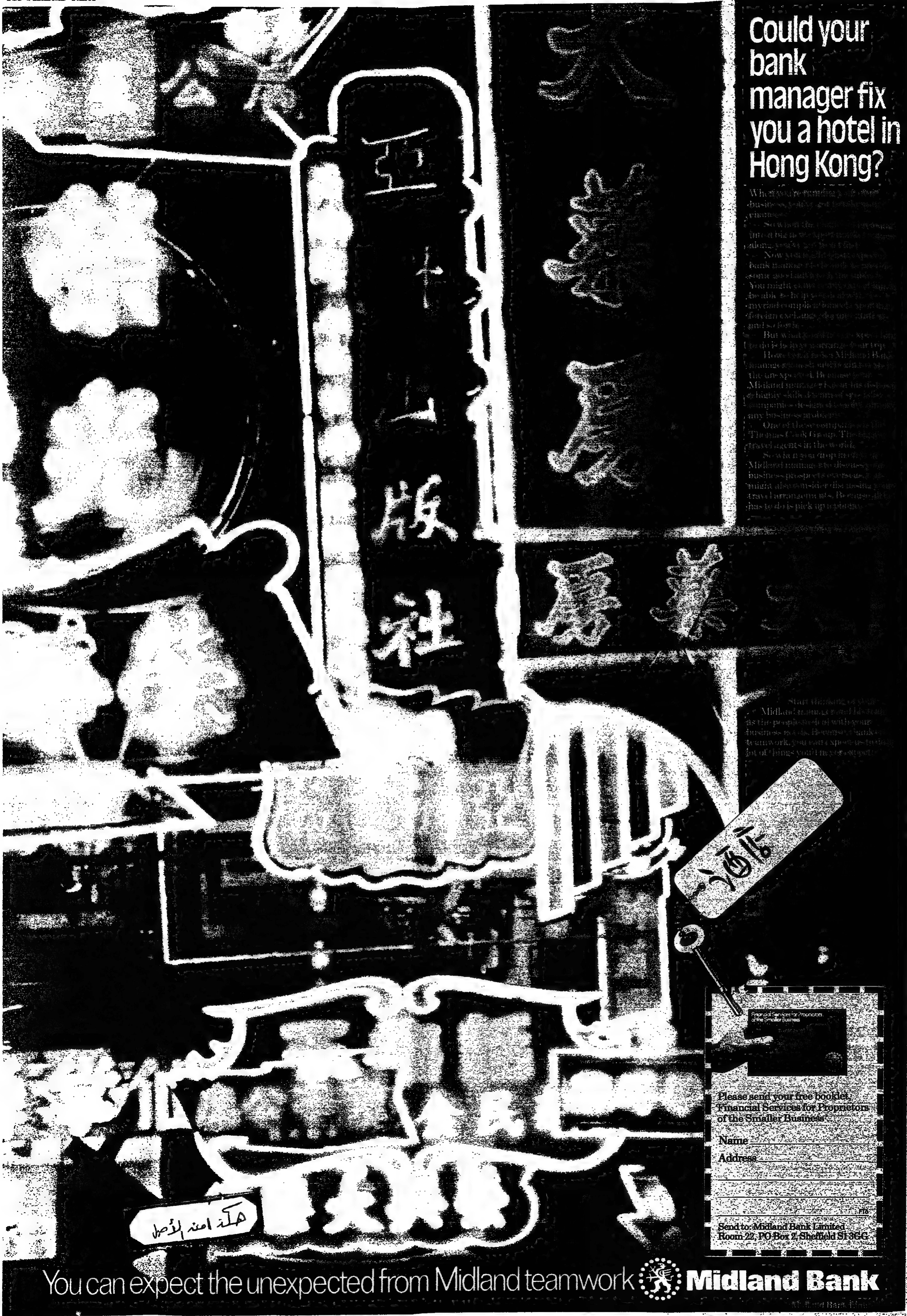
HONG KONG and Shanghai Banking which is presently involved in a major move into the U.S. with the acquisition of control of the Marine Midland Bank, is still committed to expansion in Asia, judging from its announcement today of plans to redevelop its Hong Kong head office site.

The company is commissioning a feasibility study of ways of redeveloping its existing 53,000 square foot location in the central district of Hong Kong Island. The intention is to house all the bank's central functions within one building, rather than having them scattered, as at present.

Although no cash would have changed hands in the government land swap proposal, current commercial value of the Hong Kong bank's undeveloped site in the heart of the banking district and close to the mass transit railway would be at least HK600m (U.S.$125m).

Fletcher Holdings

THE NEW ZEALAND company, Fletcher Holdings is 22.3 per cent owned by the Australian group, CSR, not by Reed Consolidated as reported last Wednesday in the story on the unwinding of the cross shareholding of Australian Newsprint Mills Holdings and Tasman Pulp and Paper Company.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Currency, Money and Gold Markets

$ eases after firm start

After a firm start, the U.S. dollar fell sharply in yesterday's foreign exchange market to finish just above its worst levels for the day. However, it remained above Friday's closing rates. The general switch out of dollars, which occurred during the afternoon, stemmed from the U.S., apparently after the disclosure of the U.S. national income accounts budget deficit of $22.6bn. Any possible attempts by the Federal authorities to arrest the decline would appear to have been swept aside. Against the Swiss franc, the dollar was as firm as SwFr 1.79, before collapsing to SwFr 1.7350 and closing at SwFr 1.7400 compared with Friday's close of SwFr 1.72.

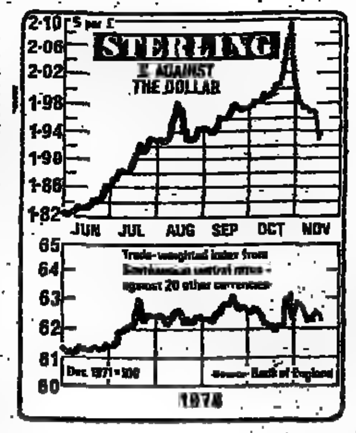
Similarly the D-mark had eased to DM 1.9440 before recovering to DM 1.9275 and closing at DM 1.93 against DM 1.9220. The yen showed a gain to Y194.50 from Y195.20 while the French franc was quoted at FFr 4.4475 against FFr 4.4112½ previously. Using Morgan Guaranty figures at noon in New York, the dollar's trade weighted average depreciation widened to 8.4 per cent from 8.3 per cent.

Sterling opened at $1.9220 and eased on dollar demand to $1.9210. However during the afternoon, a combination of dollar weakness and renewed interest in sterling pushed the rate up to $1.9420 before a closing level of $1.9345-$1.9355, a gain of 55 points from Friday. The pound's better performance was reflected in its trade weighted index which recovered from a morning level of 62.1 to 62.2 at noon and at the close. This was however slightly below Friday's close of 62.3.

FRANKFURT — At yesterday's fixing the dollar finished at DM 1.9335 compared with DM 1.9115 on Friday, and there was no intervention at this time by the Bundesbank. Yesterday's fixing was its highest since late September and appeared to underline both growing confidence in the dollar and revived interest in holding longer dollar positions. The Swiss franc was sharply lower against the D-mark and was fixed at DM 1.1010 against DM 1.1265 previously. Earlier in the day it had been quoted at DM 1.1000. In later trading it recovered slightly to DM 1.1018 while the dollar traded steadily to be quoted at DM 1.9360 after touching DM 1.9445 during the morning.

MILAN—Most currencies were weaker against the dollar and in terms of the lira, it was fixed at L853.55 against Friday's fixing of L847.30. Trading was described as fairly active and the major European currencies showed a weaker trend against the lira. The Swiss franc was quoted at L480, down from L496.20 and the D-mark at L439.5 against L442.48.

AMSTERDAM—The dollar was fixed at Fl 2.1025, up Fl 0.0285



improved further to Fl 2.1045 from Friday's fixing of Fl 2.0740. In later trading the U.S. currency

TOKYO—The dollar continued to strengthen against the yen and closed at Y196.90 in fairly active trading, and compared with Friday's close of Y192.875. The U.S. unit's opening level of Y195.30 reflected its firmer trend in other centres and at one point it touched Y196.65, its best level since late July. Heavy overseas demand prompted the improvement with Japanese banks recording net sales of dollars by the close. Trading volume in the spot market totalled $485m with forward volume at $104m and swap trading accounting for $879m.

THE POUND SPOT

Nov. 20	Bank rate %	Day's Spread	Close
U.S. $	9½	1.9210-1.9420	1.9345-1.9355
Canadian $	10¾	2.2525-2.2750	2.2710-2.2730
Guilder	6½	[illegible]	4.06½-4.07½
Belgian F	6	55.45-56.90	56.84-56.94
Danish K	8	10.30-10.39	10.37½-10.38½
D-Mark	3	3.71-3.75½	3.73-3.74
Port. Esc.	13	90.30-91.30	90.80-91.50
Span. Pes.	8	138.25-139.15	138.80-139.00
Lira	10½	1,642-1,655	1,649-1,651
Nrwgn. K.	7	9.90-9.98	9.96½-9.97½
French Fr.	9½	8.54-8.61	8.59½-8.60½
Swedish Kr.	6½	8.51-8.57	8.53½-8.54½
Yen	3½	373-383	376½-377½
Austria Sch.	4½	27.15-27.40	27.27-27.37
Swiss Fr.	1	3.36-3.46	3.36-3.37

Belgian rate is for convertible francs. Financial franc 59.85-59.95.

FORWARD AGAINST £

	One month	% p.a.	Three months	% p.a.
U.S. $	0.39-0.29c pm	2.11	1.27-1.17c pm	[illegible]
Canadian $	0.50-0.40c pm	2.38	1.87-1.77c pm	3.20
Guilder	1⅝-⅝c pm	3.32	5¼-4¼ c pm	4.67
Belgian F	20-10 c pm	3.06	70-55 c pm	4.25
Danish K	1½-3½ ore dis	−1.16	3½-6½ ore dis	−1.75
D-Mark	3⅛-2⅛ pf pm	9.64	10-9 pf pm	10.17
Port. Esc.	50-110 c dis	−10.54	140-290 c dis	[illegible]
Span. Pes.	Par-70 c dis	−3.02	90-260 c dis	−4.46
Lira	2-6 lire dis	−2.65	6½-9½ lire dis	−1.94
Nrwgn. K.	2½-½ ore pm	1.80	5½-3½ ore pm	1.80
French Fr.	4-3 c pm	4.88	10½-9½ c pm	4.65
Swedish Kr.	4½-2½ ore pm	4.57	11-9 ore pm	4.68
Yen	4.05-3.65y pm	12.28	11.15-10.75y pm	11.64
Austria Sch.	18-8gro pm	5.71	53-43 gro pm	7.03
Swiss Fr.	4⅛-3⅛c pm	12.83	11½-10½ c pm	13.52

Six-month forward dollar 2.37-2.32c pm. 12-month 4.40-4.30c pm.

THE DOLLAR SPOT

November 20	Day's spread	Close
Canad'n $*	85.23-85.37	85.23-85.26
Guilder	2.0993-2.1080	2.1015-2.1030
Belgian Fr	30.44-30.55	30.50-30.52
Danish Kr	5.3550-5.3725	5.3700-5.3725
D-Mark	1.9300-1.9420	1.9300-1.9315
Port. Esc	46.95-47.30	46.95-47.15
Span. Pta	71.80-71.95	71.80-71.85
Lira	853.30-855.10	853.30-853.80
Nrwgn. Kr	5.1420-5.1590	5.1550-5.1570
French Fr	4.4375-4.4500	4.4375-4.4425
Swedish Kr	4.4230-4.4365	4.4230-4.4240
Yen	194.40-196.80	194.40-194.70
Austria Sch	14.13-14.19	14.13-14.14
Swiss Fr	1.7350-1.7780	1.7350-1.7400

* U.S. cents per Canadian $.

FORWARD AGAINST $

	One month	% p.a.	Three months	% p.a.
Canad'n $	0.02-0.05c pm	0.49	0.13-0.16c pm	0.67
Guilder	[illegible]	1.78	1.25-1.20c pm	2.33
Belgian Fr	3-1½c pm	0.88	13-11c pm	1.57
Danish Kr	1.50-2.90ore dis	−3.91	5.0-5.5ore dis	−3.91
D-Mark	1.21-1.16pf pm	7.57	3.85-3.80pf pm	7.73
Port. Esc	35-180c dis	−27.42	130-500c dis	−26.78
Span. Pta	0.10-0.30c dis	−3.34	1.15-1.40c dis	−6.95
Lira	2.85-3.35lire dis	−4.14	9.50-10.50lire dis	−4.49
Nrwgn. Kr	0.30ed-0.10opm	−0.23	0.60-1.00ore dis	−0.62
French Fr	1.05-0.85c pm	2.78	2.05-1.80c pm	1.73
Swedish Kr	1.05-0.85ore pm	2.43	2.40-2.20ore pm	2.07
Yen	1.70-1.55y pm	9.31	4.50-4.35y pm	9.01
Austria Sch	6.75-5.75gro pm	5.29	16.25-14.25gro pm	4.21
Swiss Fr	1.58-1.53c pm	10.51	4.79-4.74c pm	10.50

CURRENCY RATES

November 17	Special Drawing Rights	European Unit of Account
Sterling	0.655437	0.674668
U.S. dollar	1.27974	1.31586
Canadian dollar	1.50280	1.54634
Austrian schilling	17.8876	18.3937
Belgian franc	38.6098	39.6752
Danish krone	6.75703	6.95621
Deutsche Mark	2.44622	2.51821
Guilder	2.56418	2.72751
French franc	5.62254	5.77786
Lira	1084.26	1114.27
Yen	246.734	255.36
Norwegian krone	6.48700	6.67933
Peseta	91.7734	93.8225
Swedish krona	5.59822	5.76675
Swiss franc	2.16988	[illegible]

CURRENCY MOVEMENTS

November 20	Bank of England Index	Morgan Guaranty changes %
Sterling	62.18	[illegible]
U.S. dollar	85.85	− 8.4
Canadian dollar	80.40	−17.1
Austrian schilling	144.00	[illegible]
Belgian franc	113.56	[illegible]
Danish krone	116.57	+ 6.2
Deutsche Mark	147.07	[illegible]
Swiss franc	189.66	+80.8
Guilder	122.52	+19.0
French franc	97.58	− 7.1
Lira	54.54	−48.4
Yen	149.61	+48.3

Based on trade weighted changes from Washington agreement December, 1971 (Bank of England Index=100).

OTHER MARKETS

Nov. 20	£	$		£ Note Rates
Argentina Peso	1,800-1,804	930.25-932.2	Austria	27-28
Australia Dollar	1.6950-1.7020	0.8803-0.8814	Belgium	59-60½
Finland Markka	7.81-7.82	4.0530-4.0560	Denmark	10.20-10.35
Brazil Cruzeiro	37.21-38.21	19.25-19.75	France	8.60-8.70
Greek Drachma	71.561-73.311	37.00-37.90	Germany	3.70-3.80
Hong Kong Dollar	9.27½-9.29½	4.8250-4.8300	Italy	1650-1700
Iran Rial	137.9-139.50	70.40-70.70	Japan	375-385
Kuwait Dinar (KD)	0.525-0.535	0.2700-0.2755	Netherlands	3.97-4.07
Luxembourg Franc	58.84-58.94	30.41-30.44	Norway	9.85-9.95
Malaysia Dollar	4.2960-4.3110	2.2350-2.2370	Portugal	90-100
New Zealand Dollar	1.8435-1.8525	0.9569-0.9615	Spain	139-143
Saudi Arabia Riyal	6.44-6.54	3.3300-3.3800	Switzerland	3.25-3.35
Singapore Dollar	4.3080-4.3230	2.2400-2.2420	United States	1.94-1.96
South African Rand	1.6587-1.6825	0.8562-0.8695	Yugoslavia	[illegible]

Rate given for Argentina is free rate.

EXCHANGE CROSS RATES

Nov. 20	Pound Sterling	U.S. Dollar	Deutschemark	Japanese Yen	French Franc	Swiss Franc	Dutch Guilder	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	1.935	3.735	376.3	8.604	3.365	4.066	1650	2.272	56.89
U.S. Dollar	0.517	1.	1.930	194.4	4.446	1.739	2.101	852.7	1.174	30.45
Deutsche Mark	0.268	0.518	1.	100.7	2.304	0.901	1.089	441.8	0.608	15.77
Japanese Yen 1,000	2.658	5.143	9.927	1000.	22.87	8.944	10.81	4385	6.039	156.6
French Franc 10	1.162	2.249	4.341	437.3	10.	3.911	4.726	1918	2.641	66.49
Swiss Franc	0.297	0.575	1.110	111.8	2.557	1.	1.208	490.3	0.675	17.50
Dutch Guilder	0.246	0.476	0.919	92.55	2.116	0.828	1.	405.8	0.559	14.48
Italian Lira 1,000	0.606	1.173	2.264	228.0	5.214	2.039	2.464	1000.	1.377	35.69
Canadian Dollar	0.440	0.852	1.644	165.6	3.787	1.481	1.790	726.2	1.	25.92
Belgian Franc 100	1.658	3.286	6.342	638.9	14.61	5.714	6.905	2802	3.858	100.

EURO-CURRENCY INTEREST RATES

Nov. 20	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian $	Japanese Yen
Short term	12-12¼	9⅝-9⅞	8¼-9⅛	8¾-9	−⅛-⅛	2⅛-2¾	6¾-7	11-18	—	1-5
7 day's notice	11¾-12¼	9⅝-9⅞	8½-9⅛	8¾-9	−⅛-⅛	2½-2¾	6⅞-7⅛	12½-13½	8½-8⅝	[illegible]
Month	13⅛-13¼	10⅛-10⅜	9¾-10⅛	8¾-9	par-⅛	2⅞-3¼	7½-8¼	14¼-15¼	10⅛-10⅜	[illegible]
Three months	13⅞-14¼	11¼-11½	10¼-10⅝	8¾-9	⅛-¼	2⅝-2⅞	8⅞-9⅛	15¼-16¼	11⅜-11½	1½-2
Six months	14-14¼	11½-11¾	10⅝-10¾	8⅝-8⅞	⅛-⅜	2⅝-2⅞	9⅛-9⅜	15¼-16¼	11½-11¾	2⅛-2⅜
One year	14⅛-14¾	11⅝-11¾	10⅛-10⅜	8¾-8⅞	1⅛-1¼	4-4⅛	10⅞-10⅞	16¼-17¼	11⅝-11⅞	6⅛-6⅜

The following nominal rates were quoted for London dollar certificates of deposit: one month 10.00-10.10 per cent; three months 11.10-11.20 per cent; six months 11.40-11.50 per cent; one year 11.35-11.45 per cent.

Long-term Eurodollar deposits: Two years 10⅝-10¾ per cent; three years 10⅝-10¾ per cent; four years 10-10¼ per cent; five years 10-10¼ per cent; nominal closing rates. Short-term rates a call for sterling, U.S. dollars and Canadian dollars; two-day call for guilders and Swiss francs. Asian rates for closing rates in Singapore.

INTERNATIONAL MONEY MARKET

Europe & U.S. rates firm

Interest rates were generally firmer in Europe and the U.S. yesterday. In New York 13-week Treasury bills rose to 8.05 per cent from 7.97 per cent late Friday; and although 26-week bills were unchanged at 8.92 per cent early yesterday, one-year bills increased to 8.96 per cent from 8.93 per cent.

Federal funds were fairly steady at around 9⅝-9¾ per cent, although it is expected that money will tend to be in short supply this week, probably leading to intervention by the Federal Reserve to add reserves to the banking system.

In line with recent developments two major U.S. banks, Chase Manhattan, and National Bank of Detroit, raised their prime lending rates to 11 per cent from 10¾ per cent. First National Bank of Chicago, who led the increase last week, left its prime rate at 11 per cent yesterday.

FRANKFURT—Call money rose to 2.0-2.1 per cent from 1.7-1.8 per cent yesterday, while fixed period interest rates were also slightly firmer in general. One-month funds increased to 3.0-3.1 per cent from 2.9-3.0 per cent; and three-month were unchanged at 3.75-3.85 per cent. Six-month money rose to 3.9-4.0 per cent from 3.85-3.95 per cent, while 12-month funds were quoted at 4.15-4.20 per cent, compared with 4.15-4.25 per cent on Friday.

AMSTERDAM—Interbank money market rates were firmer, with call money at 8¾-9 per cent, compared with 8½-9 per cent previously; one-month at 8¾-9 per cent, against 8⅝-8⅞ per cent; while three-month increased to 8¾-9 per cent from 8½-8⅝ per cent. Six-month funds rose to 8-8¼ per cent from 7¾-8 per cent.

PARIS—Day-to-day money rose to 7½ per cent from 6⅞ per cent yesterday, and one-month funds increased to 6$\frac{15}{16}$-7$\frac{1}{16}$ per cent from 6$\frac{13}{16}$-6$\frac{15}{16}$ per cent; with three-month at 7$\frac{1}{16}$-7$\frac{3}{16}$, compared with 7-7⅛ per cent on Friday. Six-month money was unchanged at 7$\frac{1}{16}$-7$\frac{3}{16}$ per cent, and 12-month at 7⅞-8 per cent.

BRUSSELS—Deposit rates for the Belgian franc (commercial) followed the firmer trend throughout Continental Europe. One-month rose to 8¾-9⅛ per cent from 8¾-9 per cent; three-month to 8¾-9 per cent from 8½-8¾ per cent; six-month to 8⅝-8⅞ per cent from 8½-8⅝ per cent; and 12-month to 8½-8¾ per cent from 8¼-8⅝ per cent.

SINGAPORE—The Asien-Pazifik-Bank AG raised its prime lending rate to 7¾ per cent from 7½ per cent from last Friday. First National Bank in Dallas lifted its rate to 8½ per cent from 8 per cent; and Marine Midland increased its prime rate to 7¾ per cent from 7½ per cent.

HONG KONG—The money market was steady, with call money at 9⅝ per cent, and overnight at 8¾ per cent.

GOLD

Firmer trend

Gold rose by $1¾ an ounce in the London bullion market yesterday to close at $199¼-200¼. After opening at $196¾-197¾, the metal touched a low point of $196½-197½ on a firmer dollar. However with the U.S. currency easing later in the day, gold improved during the afternoon to finish at around its best level.

In Paris the 12½ kilo bar was fixed at FFr 28,750 per kilo ($200.99 per ounce) compared with FFr 28,850 ($201.64) in the morning and FFr 28,100 ($198.93) on Friday afternoon.

In Frankfurt the 12½ kilo bar was fixed at DM 12,435 per kilo ($199.71 per ounce) compared with DM 12,215 ($198.71) previously.

	Nov. 20	Nov. 17
Gold Bullion (a fine ounce)		
Close	$199¼-200¼	$198¼-199
Opening	$196¾-197¾	$198-198¾
Morning fixing	$198.15 (£101.550)	$198.50 (£101.566)
Afternoon fixing	$198.85 (£103.187)	$197.85 (£101.921)
Gold Coins domestically		
Krugerrand	$205¼-206¼ (£106¼-106¾)	$207¾-208¾ (£107½-108¼)
New Sovereigns	$55-56 (£27¾-28¾)	$57¼-59¼ (£29¾-30¾)
Old Sovereigns	$58¼-60¼ (£30¼-31¼)	$59-61 (£30¼-31¼)
Gold Coins internationally		
Krugerrand	$209-211 (£108-109)	$204¾-206¾ (£106-107)
New Sovereigns	$59¼-61¼ (£30¾-31¾)	$53-55 (£27¼-28¼)
Old Sovereigns	$58¼-60¼ (£30¾-31¾)	$59-61 (£30¼-31¼)
$20 Eagles	$280-285	$281-284
$10 Eagles	$163-168	$155-167
$5 Eagles	$102-107	$102-106

UK MONEY MARKET

Moderate assistance

Bank of England Minimum Lending Rate 12½ per cent (since November 9, 1978)

Day-to-day credit was in short supply in the London money market yesterday, and conditions were very tight at the close, though the amount of money involved was probably fairly small. Overnight money in the interbank market rose to 14-15 per cent in late trading, while discount houses paid up to 12-12½ per cent for closing balances. Earlier in the day houses paid 11½-11¾ per cent for secured call money. Interbank overnight funds opened at 12-12½ per cent, and eased to 11⅛-11½ per cent, before trading at 12-14 per cent in the afternoon, touching 15 per cent at the close.

The authorities gave a moderate amount of assistance to the market by buying a moderate amount of Treasury bills from the discount houses, and a small number of local authority bills.

Government disbursements were slightly in excess of revenue payments to the Exchequer, but this was outweighed by a small net take-up of Treasury bills, and a modest rise in the note circulation.

LONDON MONEY RATES

Nov. 20 1978	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposit	Treasury Bills ♦	Eligible Bank Bills ♦	Fine Trade Bills ♦
Overnight	—	11⅛-15	—	—	—	12¾	11⅛-12⅛	—	—	—
2 days notice	—	—	11¾	—	—	12½	—	—	—	—
7 days or	—	—	—	—	12¼	—	11¾-11⅞	—	—	—
7 days notice	—	11⅞-12¼	12	—	12⅛	12⅝	11⅞	11⅝-11⅞	12⅛	12⅛
One month	12⅛-12⅛	12⅛-12¼	11⅞	12-12⅜	12⅝	12⅛	11¾-11⅞	11⅝-11⅞	12⅛-12⅛	12⅛
Two months	12¼-12⅛	12⅛-12⅜	—	12-12⅜	12¾	—	11¾	11⅝-11⅞	11⅝-11⅝	12⅝
Three months	12¼-12⅛	12¼-12⅜	12⅛	12-12⅜	12½	—	—	—	11⅝-11⅞	13
Six months	12⅛-11⅞	12⅛-12⅛	11⅞-12	12-12¼	12⅜	—	—	—	—	—
Nine months	11¾-11⅝	11¾-11⅞	—	11⅝-11⅞	12¼	—	—	—	—	—
One year	11⅛-11⅞	11⅛-11⅞	11½-11⅞	11½-11¾	—	—	—	—	—	—
Two years	—	—	12-12⅛	—	—	—	—	—	—	—

Local authority and finance houses seven days' notice, others seven days' fixed. * Longer-term local authority mortgage rates nominally three years 12⅝-12¾ per cent; four years 12⅝-12¾ per cent; five years 12¾ per cent. ♦ Bank bill rates in table are buying rates for prime paper. Buying rate for four-month bank bills 11⅞-11$\frac{15}{16}$ per cent; four-month trade bills 12¾ per cent. Approximate selling rates for one-month Treasury bills 11¾ per cent; two-month 11¾ per cent; and three-month 11⅝ per cent. Approximate selling rate for one-month bank bills 11⅝ per cent; two-month 11⅞ per cent; and three-month 12¼ per cent. One-month trade bills 12 per cent; two-month 12¾ per cent; three-month 12¼ per cent. Finance House Base Rates (published by the Finance Houses Association) 10 per cent from November 1, 1978. Clearing Bank Deposit Rates for small sums at seven days' notice 10 per cent. Clearing Bank Rates for lending 12½ per cent. Treasury Bills: Average tender rates of discount 11.7284 per cent.

MONEY RATES

NEW YORK

Prime Rate	11
Fed Funds	9.6875
Treasury Bills (13-week)	8.05
Treasury Bills (26-week)	8.92

GERMANY

Discount Rate	3
Overnight	2.05
One month	3.05
Three months	3.80
Six months	3.95

FRANCE

Discount Rate	9.5
Overnight	7.125
One month	7
Three months	7.125
Six months	7.375

JAPAN

Discount Rate	3.5
Call (Unconditional)	4.25
Bills Discount Rate	4.428

World Value of the Pound

The table below gives the latest available rates of exchange for the pound against various currencies on November 20, 1978. In some cases rates are nominal. Market rates are the average of buying and selling rates except where they are shown to be otherwise. In some cases market rates have been calculated from those of foreign currencies to which they are tied.

Exchange in the UK and most of the countries listed is officially controlled and the rates shown should not be taken as being applicable to any particular transaction without reference to an authorised dealer.

Abbreviations: (S) member of the sterling area other than Scheduled Territories; (k) Scheduled Territory; (o) official rate; (F) free rate; (T) tourist rate; (n.c.) non-commercial rate; (n.a.) not available; (A) approximate rate no direct quotation available; (sg) selling rate; (bg) buying rate; (nom.) nominal; (exC) exchange certificate rate; (P) based on U.S. dollar parities and going sterling dollar rate; (Bk) bankers' rate; (Bas) basic rate; (cm) commercial rate; (cn) convertible rate; (fn) financial rate.

Sharp fluctuations have been seen lately in the foreign exchange market. Rates in the table below are not in all cases closing rates on the dates shown.

Place and Local Unit	Value of £ Sterling	Place and Local Unit	Value of £ Sterling	Place and Local Unit	Value of £ Sterling	Place and Local Unit	Value of £ Sterling
Afghanistan Afghani	75.00	Ecuador Sucre	(O) 47.88 (F) 51.20	Liecht'nstn Swiss Franc	3.365	Romania Leu	(cm) 8.07 (nc) 24.35
Albania Lek	9.3288	Egypt Egyptian £	(O) 0.7600 (T) 1.3600	Luxembourg Lux Franc	56.89	Rwanda Rwanda Franc	190.95
Algeria Dinar	7.4088	Ethiopia Ethiopian Birr	(P) 4.0100	Macao Pataca	9.9748	St. Christopher (S) E. Caribbean $	5.229
Andorra French Franc	8.60	Eq'l Guinea Peseta	138.90	Madeira Portug'se Escudo	91.05	St. Helena St. Helena £	1.0
Andorra Spanish Peseta	138.90			Malagasy Rp. MG Franc	403¼	St. Lucia E. Caribbean $	5.229
Angola Kwanza	n.a.			Malawi (S) Kwacha	1.5962	St. Pierre C.F.A. Franc	403¼
Antigua (S) E. Caribbean $	5.229	Falkland Is. (S) Falkland Is £	1.0	Malaysia (S) Ringgit	4.3059	St. Vincent (S) E. Caribbean $	5.229
Maldive Is (S) Mal Rupee	7.60						
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

* That part of the French community in Africa formerly part of French West Africa or French Equatorial Africa. † Rupees per pound. § General rates of oil and iron exports Rl 270. ‡ Based on cross rates against Russian rouble. †† Rate is the transfer market (controlled). ‡‡ Rate is now based on 2 Barbados $ to the dollar. ¶ Now one official rate.

WORLD STOCK MARKETS

Dow rallies 8 more in moderate early trade

INVESTMENT DOLLAR PREMIUM

$2.60 to £1—84½% (87%)

Effective $1.9350 37½% (38½%)

HELPED BY the dollar's continued recovery and a report that Saudi Arabia will seek an oil price freeze at the approaching OPEC oil price meeting, Wall Street regained further ground over a broad front in another moderate early business yesterday.

The Dow Jones Industrial Average was 8.40 higher at 806.13 at 1 pm, while the NYSE All Common index improved 31 cents to $53.05 and gains outnumbered declines by a three-to-one margin. Turnover came to 16.48m shares, compared with last Friday's 1 pm figure of 15.66m.

Closing prices and market reports were not available for this edition.

The Commerce Department reported that the U.S. Budget deficit on a national income accounts basis narrowed to a seasonally adjusted annual rate of $22.6bn in the third-quarter from $23.6bn in the second-quarter.

Petroleum stocks, which were strong late last week, dominated the action. *Gulf Oil, the volume* leader, eased ⅛ to $24⅞. Blocks of 150,000 shares and 30,000 shares were traded at $25⅛. Exxon, in second place, edged up ⅛ to $50⅛. A block of 104,000 shares changed hands at $50⅛. Texaco in the number three spot, added ⅛ at $24⅛.

Columbia Pictures advanced 2½ to $20⅞. Kirk Kerkorian, major stockholder of Metro-Goldwyn-Mayer, is to offer $24 each for up to 1.75m or 20 per cent of Columbia Pictures shares. He already owns about 5.5 per cent. MGM put on ⅛ to $37⅛.

UARCO moved ahead 5¼ to $46½ on Davlin raising its bid for UARCO shares to $48 each. Davlin were unchanged at $2½ bid in over-the-counter trading.

Control Data added ⅛ at $32⅛. The company said it expects an earnings improvement in both 1978 and 1979.

P. R. Mallory rose ⅛ to $50½ in active trading. Dart Industries has received Indiana court approval to begin its offer of $51 for each Mallory share.

Dart picked up ⅛ to $38⅛.

THE AMERICAN SE Market Value Index picked up a further 1.47 to 144.85 at 1 pm. Volume 1.74m shares (2.05m).

Houston Oil rose ⅞ to $17⅛. Bow Valley ⅛ to $18⅛ and Sundance Oil ⅛ to $17.

Tubos de Acero gained ⅞ to $16½ in active trading, while Friendly Frost jumped 1⅛ to $12⅛.

Canada

Stocks showed a firmer inclination to mid-day after a fair business, although Metal issues mainly weakened, leaving the Metals and Minerals index down 12.1 at 1,086.0 at noon and the Oil and Gas index 4.3 off at 1,290.9.

As a result, the Toronto Composite index was 0.7 easier at 1,238.6. Oils and Gas, on the other hand, gained 6.1 to 1,690.7.

Montreal stock market indices were not available due to continuing computer problems at the exchange.

Among Metals issues, **Comineo** receded 1⅛ to C$32½. **Alcan Aluminium** ⅛ to C$38⅛, **Noranda "A"** ⅛ to C$34⅛ and **Inco "A"** ⅛ to C$15.

Caimor Iron Bay added 3 cents at C$1.13. International Mogul Mines was offered C$1.13 a share for all Caimor shares.

The Utilities index was over seven points higher, with **Bell Canada** up ⅛ to C$62⅛.

Tokyo

Stocks made a mixed showing in moderate activity, although the Nikkei-Dow Jones Average gained 12.09 more to 5,945.98 and the Tokyo SE index was 0.50 firmer at 439.77. Volume amounted to 280m shares (270m).

The sharp dollar recovery against the yen in Tokyo stimulated buying interest in the majority of export-orientated issues, especially Light Electricals and Cameras. **Sony** rose Y50 to Y1,600, **TDK Electronics** Y140 to Y2,150, **Pioneer** Y40 to Y1,590 and **Canon** Y13 to Y434.

Department Stores were also favoured, **Mitsukoshi** featuring with an advance of Y33 to Y640, while interest revived in Synthetic Fibres, Chemicals and Pharmaceuticals.

In contrast, Petroleums, Fats and Oils, Feeds and Flour Millings were lower, with investors discouraged by the higher dollar.

Vehicles also tended to decline, reflecting slow vehicle exports in recent months. **Nissan Motor** lost Y5 to Y655 and **Toyo Kogyo** Y11 to Y756, but **Honda Motors**, buoyed by the dollar, moved ahead Y10 to Y490.

Hong Kong

Market fell afresh in moderate trading, with a steady stream of sellers and a complete absence of buying support pushing the Hang Seng index down a further 20.03 to 468.45.

In Blue Chips, **Hong Kong Bank** receded 80 cents to HK$ 15.80, **Hong Kong Land** 45 cents to HK$ 7.55, **Jardine Matheson** 30 cents to HK$ 11.80 and **Swire Pacific 'A'** 25 cents to HK$ 6.60.

Hong Kong Wharf retreated HK$ 2.20 to HK$ 21.30, **KMB** 35 cents to HK$ 4.15 and **China Light** 30 cents to HK$ 21.70.

Germany

Share prices closed slightly easier on balance after a very quiet session, limited mostly to professional position covering.

Losses among leading shares seldom exceeded DM 1.00, although **Mannesmann** shed DM 2.60 and **Thyssen** DM 2.30, while **Volkswagen**, in lively trading receded DM 1.30.

Neckermann, in stores, declined DM 2.50, while elsewhere, **Kali und Salz** lost DM 2.70.

Trading in fixed interest securities was also quiet, with Mortgage Bonds and Communal issues holding steady and Public Authority Bonds finishing narrowly mixed. The Regulating Authorities sold a net DM 19m of stock following sales of DM 21.7m last Friday.

Paris

Irregular movements were recorded in a quiet business, although the undertone was helped by the steadiness of the French franc against other major European currencies.

Banks, Portfolios, Metals and Stores here sectors pointing higher, but Foods, Mechanicals, Hotels, Electricals and Chemicals displayed an easier inclination.

Gaining issues included **Silic, Mumm, Generale D'Entreprises, Paris-France, Yallourec** and **Pierrefitte-Auby**, but among those losing ground were **Pricel, Olida, Saunier, Borel, Hachette, Prenatal, Matra, Cotelle** and **Europe 1.**

Australia

After the modest rally which developed towards the end of last week, stocks resumed their downward trend yesterday in slack trading.

Overseas traders were kept out of the market by vague rumours that the Australia dollar was to be revalued, while local traders held off on the belief that no matter how much pressure the Government brings to bear, domestic interest rates will have to rise.

However, Banks had **ANZ** 10 cents higher at A$3.70 in response to increased profits, while industrial leader **BHP** hardened 2 cents to A$8.12.

Following the capital reconstruction, **Dunlop** 50 cents shares were quoted an effective 1 cent easier at 50 cents. Every two previously existing 75-cent shares have been replaced by three new 50-cent shares.

Among Minings, **Thiess** fell 10 cents to A$2.75, **Renison Tin** also 10 cents to A$9.50, **Western Mining** 4 cents to A$1.53 and **Consolidated Gold Fields** 5 cents to A$3.45.

In the Uraniums sector, **Pancontinental** retreated 30 cents to A$9.90 and **Peko-Wallsend** 8 cents to A$5.20, but **Queensland Mines** provided a bright spot, up 10 cents at A$3.35.

Johannesburg

Gold shares improved in a thin trade, reflecting the increase in the Bullion price.

Mining Financials were also firmer. Platinum issues gained ground in line with the free market price, with **Implats** adding 10 cents at R3.55 and **Rusplat** 3 cents at R1.85. In a very quiet Copper sector, **Messina** put on 2 cents to R1.25.

The Industrial market was easier-inclined in light volume, with losses outnumbering gains by over two to one.

Switzerland

Bourse prices generally improved afresh, sentiment helped by the strong recovery of the dollar and Deutsche Mark.

Many Industrials showed good gains. **Sulzer Registered** were up 35 at SwFr 2,475, **Alusuisse Bearer** rose 40 to SwFr 1,140 and **Nestle Bearer** 30 to SwFr 3,220.

In the Financials sector, **Oerlikon Buehrle** moved ahead 45 to SwFr 2,645 and **Motor Columbus** 30 to SwFr 790.

Domestic Bonds, however, declined in moderately active trading.

Amsterdam

Market mainly edged forward, aided by the stronger dollar.

Among Dutch Internationals, **Unilever** gained Fl 1.00 and **Royal Dutch** Fl 1.70.

In the Transportation sector, **KLM** rose Fl 1.80 to Fl 131.00 and **Van Ommeren** Fl 4.30 to Fl 142.50.

Shares elsewhere with gains of between Fl 1 and Fl 2 included **ABN, Bijenkorf, Ahold** and **Ennia**. State Loans weakened.

Brussels

Local issues put on a mixed performance.

Hainaut Sambre gained 38 to BFr 746 but **Arbed** lost 90 to BFr 2,050 in generally higher Steels. **Asturienne** shed ⅛ to BFr 724 and **Hoboken** eased 20 BFr 2,880 in lower Non-ferrous Metals. **Gavaert** declined 14 to BFr 1,378 in easier Chemicals, but **Petrofina** rose 65 to BFr 3,330 in firmer Oils.

NOTES: Overseas prices shown below exclude $ premium. Belgian dividends are after withholding tax.
● DM 50 denom. unless otherwise stated, yields based on net dividends plus tax. ◉ Pta 500 denom. unless otherwise stated. ♣ DKr 100 denom. unless otherwise stated. ◈ SwFr 500 denom. and Bearer shares unless otherwise stated. ¶ Y50 denom. unless otherwise stated. § Price at time of suspension. a Florins. b Schillings. c Cents. d Dividend after pending rights and/or scrip issue. e Per share. f Francs. g Gross div. %. h Assumed dividend after scrip and/or rights issue. k After local taxes. m % tax free. n Francs, including Unilac div. p Nom. q Share split. s Div. and yield exclude special payment. t Indicated div. u Unofficial trading. v Minority holders only. y Merger pending. * Asked. † Bid. § Traded. ‡ Seller. z Assumed. xr Ex rights. xd Ex dividend. xc Ex scrip issue. xa Ex all. Δ Interim since increased.

NEW YORK

[illegible]

† Bid. ‡ Asked. § Traded. ‖ New stock.

CANADA

[illegible]

Indices

NEW YORK—DOW JONES

	Nov. 17	Nov. 16	Nov. 16	Nov. 14	Nov. 13	Nov. 10	1978 High	1978 Low	Since Compilat'n High	Since Compilat'n Low
Industrials●	797.75	794.19	785.59	785.26	792.01	807.09	907.74 (8/9)	742.12 (28/2)	1051.70 (11/1/73)	41.22 (2/7/32)
H'me B'nds*	85.91	85.85	85.64	85.26	85.72	86.24	90.65 (4/1)	85.12 (13/11)	—	—
Transport....	210.41	209.49	206.75	206.46	207.84	215.62	261.49 (8/9)	199.51 (9/1)	279.88 (7/2/69)	12.23 (8/7/32)
Utilities....	98.04	97.38	96.65	96.35	97.09	98.26	110.98 (5/1)	96.35 (14/11)	163.32 (20/4/69)	10.58 (28/4/42)
Trading vol. 000's	25,240	21,340	26,250	35,840	20,960	16,780	—	—	—	—

* Basis of index changed from Aug. 24 ● Day's high 797.38 low 785.25

	Nov. 10	Nov. 3	Oct. 27	Year ago approx
Ind. div. yield %	5.90	5.77	5.89	5.33

STANDARD AND POORS

	Nov. 17	Nov. 16	Nov. 15	Nov. 14	Nov. 13	Nov. 10	1978 High	1978 Low	Since Compilatn High	Since Compilatn Low
‡Industrials	104.88	104.09	102.84	102.75	105.42	106.82	118.71 (12/9)	95.52 (6/3)	134.54 (11/1/73)	3.52 (30/6/32)
‡Composite	54.42	93.71	92.71	92.49	95.15	94.77	106.99 (12/9)	86.90 (6/3)	125.85 (11/1/63)	4.40 (1/6/32)

	Nov. 15	Nov. 8	Nov. 1	Year ago (approx.)
Ind. div. yield %	5.27	5.16	5.13	4.78
Ind. P/E Ratio	8.64	8.81	9.04	9.42
Long Gov. Bond yield	8.66	8.76	8.68	7.78

N.Y.S.E. ALL COMMON

Nov. 17	Nov. 16	Nov. 15	Nov. 14	1978 High	1978 Low
52.54	52.09	51.52	51.56	60.38 (11/9)	48.37 (6/3)

Rises and Falls	Nov. 17	Nov. 16	Nov. 15
Issues Traded	1,875	1,875	1,889
Rises	1,115	941	882
Falls	380	501	561
Unchanged	382	433	440
New Highs	—	—	5
New Lows	—	—	91

MONTREAL

	Nov. 17	Nov. 16	Nov. 15	Nov. 14	1978 High	1978 Low
Industrial	210.55	208.85	208.87	205.45	222.14 (11/10)	162.36 (16/2)
Combined	214.25	212.54	212.16	210.88	225.87 (12/10)	170.82 (30/1)
TORONTO Composite	1239.3	1239.8	1221.5	1215.6	1352.7 (12/10)	998.2 (30/1)
JOHANNESBURG Gold	264.8	282.5	259.8	255.5	272.8 (24/3)	186.3 (20/4)
JOHANNESBURG Industrial	268.2	263.1	258.9	257.7	281.8 (1/11)	194.9 (13/3)

[illegible]

GERMANY ●

[illegible]

TOKYO ¶

[illegible]

Source Nikko Securities, Tokyo

AUSTRALIA

[illegible]

OSLO

[illegible]

BRAZIL

[illegible]

Turnover Cr.103.0m. Volume 60.1m. Source: Rio de Janeiro SE.

JOHANNESBURG

[illegible]

Securities Rand US$0.68. (Discount of 49.9%)

SPAIN

[illegible]

AMSTERDAM

[illegible]

BRUSSELS/LUXEMBOURG

[illegible]

SWITZERLAND ◈

[illegible]

COPENHAGEN ♣

[illegible]

MILAN

[illegible]

VIENNA

[illegible]

PARIS

[illegible]

STOCKHOLM

[illegible]

EUROPEAN OPTIONS EXCHANGE

Series		Jan. Vol.	Jan. Last	Apr. Vol.	Apr. Last	July Vol.	July Last	Stock
ABN	F.360	2	19.50	—	—	—	—	F372.50
AKZ	F.27.50	—	—	47	5.50	—	—	F30.50
AKZ	F.30	21	2.20	13	4.20	1	4.80	..
AKZ	F.32.50	37	1.20	—	—	—	—	..
AKZ	F.35	2	0.50	24	2	20	2.50	..
ARB	F.70	—	—	—	—	2	10.40	F.76.70
EK	$50	1	8⅞	—	—	—	—	$58⅞
EK	$60	2	2⅞	4	5	—	—	
HO	F.40	27	2	20	4	—	—	F.38.30
HO	F.45	1	1.20	—	—	—	—	..
IBM	$240	6	23¼	—	—	—	—	$262⅛
IBM	$260	11	13½	—	—	—	—	..
IBM	$280	2	6	1	11¼	2	16½	..
IBM	$300	8	1½	—	—	—	—	..
KLM	F.120	—	—	1	20.50	—	—	F.131
KLM	F.130	10	10	—	—	—	—	..
KLM	F.133.30	6	6.90	—	—	—	—	..
KLM	F.140	12	5	2	9	—	—	..
KLM	F.142.90	30	4	—	—	—	—	..
KLM	F.150	1	2.60	6	6	1	8.10	..
KLM	F.160	—	—	11	4	—	—	..
KLM	F.161.90	2	0.50	—	—	—	—	..
NN	F.110	—	—	2	11.30	—	—	F.114.50
NN	F.118.90	29	3	—	—	—	—	..
NN	F.120	—	—	6	6	—	—	..
PHI	F.22.50	—	—	17	3.90	—	—	F.25
PHI	F.25	2	1.20	—	—	5	3	..
PHI	F.27.50	—	—	90	1.30	4	4	..
PHI	F.30	73	0.40	20	0.80	42	1.30	..
PRD	$45	—	—	10	7⅛	—	—	$48¼
PRD	$50	2	2⅛	—	—	—	—	
RD	F.120	7	6.80	—	—	1	10	F.123.70
UNI	F.110	6	11.30	—	—	—	—	F.120
UNI	F.120	3	3.80	10	5.90	10	8	..
UNI	F.150	—	—	1	2.50	—	—	..
		Nov.		Feb.		May		
BA	$60	—	—	—	—	2	10¼	$63⅛

TOTAL VOLUME IN CONTRACTS 678

BASE LENDING RATES

A.B.N. Bank	12½%	■ Hambros Bank	12½%
Allied Irish Banks Ltd.	12½%	■ Hill Samuel	§12½%
American Express Bk.	12½%	† C. Hoare & Co.	12½%
Amro Bank	12½%	Julian S. Hodge	13½%
A P Bank Ltd	12½%	Hongkong & Shanghai	12½%
Henry Ansbacher	12½%	Industrial Bk. of Scot.	10 %
Associates Cap. Corp.	12½%	Keyser Ullmann	12½%
Banco de Bilbao	12½%	Knowsley & Co. Ltd.	14½%
Bank of Credit & Cmce.	12½%	Lloyds Bank	12½%
Bank of Cyprus	12½%	London Mercantile	12½%
Bank of N.S.W.	12½%	Edward Manson & Co.	13½%
Banque Belge Ltd.	12½%	Midland Bank	12½%
Banque du Rhone	13 %	■ Samuel Montagu	12½%
Barclays Bank	12½%	■ Morgan Grenfell	12½%
Barnett Christie Ltd.	13½%	National Westminster	12½%
Bremar Holdings Ltd.	13½%	Norwich General Trust	12½%
Brit. Bank of Mid. East	12½%	P. S. Refson & Co.	12½%
■ Brown Shipley	12½%	Rossminster	12½%
Canada Perm't Trust	12½%	Royal Bk. Canada Trust	12½%
Cayzer Ltd.	12½%	Schlesinger Limited	12½%
Cedar Holdings	12½%	E. S. Schwab	13½%
■ Charterhouse Japhet	12½%	Security Trust Co. Ltd.	13½%
Choulartons	12½%	Shenley Trust	14 %
C. E. Coates	12½%	Standard Chartered	12½%
Consolidated Credits	12½%	Trade Dev. Bank	12½%
Co-operative Bank	*12½%	Trustee Savings Bank	12½%
Corinthian Securities	12½%	Twentieth Century Bk.	13½%
Credit Lyonnais	12½%	United Bank of Kuwait	12½%
Duncan Lawrie	12½%	Whiteaway Laidlaw	13 %
The Cyprus Popular Bk.	11½%	Williams & Glyn's	12½%
Eagil Trust	12½%	Yorkshire Bank	12½%
English Transcont.	12½%		
First Nat. Fin. Corp.	12 %		
First Nat. Secs. Ltd.	12 %		
■ Antony Gibbs	12½%		
Greyhound Guaranty	12½%		
Grindlays Bank	12½%		
■ Guinness Mahon	12½%		

■ Members of the Accepting Houses Committee.
* 7-day deposits 10%, 1-month deposits 10½%.
† 7-day deposits on sums of £10,000 and under 10%, up to £25,000 10½% and over £25,000 10¾%.
‡ Call deposits over £1,000 10%.
§ Demand deposits 10%.

FARMING AND RAW MATERIALS

مكتبة من الأصل

New York metals market rejects merger plan

BY JOHN WYLES

NEW YORK, Nov 20.

THE NEW YORK Stock Exchange the Commodity Exchange (Comex) have abandoned merger talks. They are focussing instead on a possible joint venture into trading futures contracts in a range of financial instruments.

Discussions on merger proposals started a month ago. However, Mr. Lee Berendt, Comex president, said today that his Exchange's 386 members had backed away from a formal link because they preferred to keep their existing identity rather than being submerged in a very much larger organisation.

No comment was available from the Stock Exchange, but it would be surprising if officials there were not disappointed about this turn of events. Comex is an important market for trading in gold, silver and copper and a merger would have been a valuable diversification for the Stock Exchange whose supremacy in equities trading is threatened by any Government moves to creat e a national securities market.

However, a joint venture in trading a range of futures contracts could be a valuable development for both exchanges. The Chicago Exchanges at present dominate trading in financial futures, which started in 1975, and a NYSE-Comex market in New York would represent a credible challenge.

According to Mr. Berendt the proposed joint venture could involve automatic membership of a new exchange for both NYSE and Comex members and this would represent "a viable liquid market" capable of attracting business.

Initially, said the Comex president, the new exchange would probably trade the same contracts as the Chicago Board of Trade but it would then go on to break new ground.

Comex has already applied to the Commodities Futures Trading Commission for permission to trade in financial futures, and hearings are due to start late in January.

Mr. Berendt would not be drawn on whether Comex might now revive merger discussions with the New York mercantile exchange whose main trading products are potatoes and platinum, and which took a dim view of the proposed NYSE link.

In the meantime, the New York Coffee and Sugar Exchange has put some merger proposals to the New York Cocoa Exchange which is the only New York Commodities Exchange not operating on the common trading floor in the World Trade Centre occupied by the Commodity Exchange, the Mercantile Exchange, the Cotton Exchange and the Coffee and Sugar exchange. These four exchanges account for about 20 per cent of all commodities traded in the U.S.

The American Commodity Exchange has also presented a formal merger proposal to the New York Cocoa Exchange, according to a Reuter report.

The American Commodity Exchange is an offshoot of the American Stock Exchange and recently launched the first New York interest rate futures market (for Government National Mortgage Association rates).

It is seeking to expand into commodity option trading as well, once this is permitted by the Commodities Futures Trading Commission.

To add further complication, the Chicago Mercantile Exchange recently held preliminary discussions with the New York Sugar and Coffee Exchange about a possible form of association. It plans to open offices in New York and London as part of an ambitious expansion programme.

New peaks in silver prices

By Our Commodities Editor

SILVER JUMPED to new all-time peaks on the London markets yesterday. The London bullion market spot quotation was raised by 11.1p to 307.75p an ounce at the morning fixing, and after losing some ground in the afternoon closed only slightly lower at around 307p.

London dealers were at a loss to explain the sudden rise in silver especially in view of the nervous state of the gold market prior to the U.S. auction. However, fresh speculative buying interest was stimulated when the market rose to new highs and broke through a "chart" buying point. This in turn triggered off covering of previous sales.

Another indication of renewed interest in precious metals was a recovery in free market platinum, which gained £5.5 to £165.20 an ounce. This continued the recovery started on Friday when the market picked up from a recent low of £155.10 after tumbling from a peak of £187.9 reached at the beginning of the month.

Trading interest was subdued on the base metal markets. As expected copper stocks in the Metal Exchange warehouses resumed their fall after last week's increase. Stocks were down by 3,700 tonnes cutting the total holdings to 395,600 tonnes.

There was an unexpected rise of 25 tonnes in tin stocks raising total holdings to 2,125 tonnes. A small decline had generally been expected, and this brought out selling after the market had opened on a firm note following a rise in Penang over the weekend. As a result cash tin closed £30 lower at £7,480 a tonne.

A fall of 1,175 tonnes in lead stocks, cutting total warehouse holdings to 26,525 tonnes, was less than generally expected. Further selling depressed cash lead by £7.5 to £391.5 a tonne.

EEC MINISTERS MEETING

Little progress on fish deal

BY MARGARET VAN HATTEM

EEC Agriculture and Fisheries Ministers appear to have given up all hope of making substantive progress towards a common Fisheries Policy at their meeting later this week.

But they have agreed provisionally to hold a further meeting next Tuesday if there seems to be a chance of getting the major remaining obstacles sorted out before the EEC Summit, scheduled for December 4 and 5.

Pressure for some form of agreement on the fisheries issue has increased since the Anglo-German talks in Bonn last month when both Mr. Callaghan and the German Chancellor Herr Schmidt pledged their full support for a settlement before the end of the year. But little progress appears to have been made since then.

Mr. John Silkin, the UK Agriculture and Fisheries Minister, today spent several hours discussing the issue with Mr. Finn Olav Gundelach, the Fisheries Commissioner, and with the Danish and German Ministers.

But he said later he did not expect important decisions to be taken this week — "fish have come up but the chips are not yet down," he added.

Though the farm Ministers' meeting here today and tomorrow is concerned with strictly agricultural matters such as wine, the fisheries issue is clearly uppermost in British minds.

The Commission is expected on Thursday to table some sort of document outlining its ideas on fish quotas for next year. This is not expected to specify national quotas for individual fish species but rather to draw national fire before more detailed proposals are presented, possibly in December.

While French and Italian Ministers wrestled inside the council chamber to resolve their long-standing dispute over wine —they were not expected to make much headway before tomorrow morning—Mr. Silkin took the opportunity to air his indignation over attempts to export surplus Community butter to the USSR at prices well below those within the EEC.

"I intend to raise hell," he said with relish.

The matter arose last week when the Commission reserved its judgment on a French request that export rebates be fixed in advance on a 14,300 tonne consignment of butter intended for the USSR. The issue is a sensitive one for the Commission, which last year was formally censured by the European Parliament for a similar sale to the USSR.

Exports to the Soviet Union, it appears, are more resented than those to other non-EEC countries. This year, the Community has subsidised the export of around 50,000 tonnes of butter to non-EEC countries, with little public protest.

Mr. Silkin, asked why he had not raised the matter earlier, said he found it particularly offensive that fresh butter rather than old intervention stocks should be "sold off to a wealthy trading nation when it could be going to the Community."

Milk Board poll result this week

By Our Commodities Staff

THE RESULTS of the vote among dairy producers in England and Wales about the future of the Milk Marketing Board are to be announced on Friday.

The poll was ordered by the EEC Council of Ministers to assess the degree of support from dairy producers

Scottish farmers have already voted overwhelmingly in favour of their domestic milk Boards. There was a 99.5 per cent "yes" vote from producers for the whole of Scotland, with the North of Scotland Board receiving 100 per cent support. Only 17 producers out of 3,551 votes cast said "no" to the proposals.

To allow the continued existence of the Boards the Council of Ministers laid down that 50 per cent of the producers must vote in favour as well as 50 per cent of the "cow" votes —each producer was credited with one vote for every ten milking cows and extra votes for additional cows.

In the event, the Scottish Boards received support from 99.5 per cent of producers who voted and 98.6 per cent of the possible "cow" votes.

Some indication that there is a similar trend in England and Wales was provided by the news that 96 per cent of Welsh farmers had voted well before the final polling date.

Fishermen back tough stand by Silkin

BY RICHARD MOONEY

ON THURSDAY and Friday of this week the attention of all Britain's trawler operators and fishing industry leaders, and most of the country's fishermen, will be focussed on Brussels where EEC agriculture and fisheries ministers will be getting down to yet another round of "crucial" talks on the future shape of Common Market fishery policy.

Over the past two years fishing industry leaders have become used to "crucial" EEC meetings from which nothing actually emerges. But they now believe that the crunch may soon be upon them and are taking no chance of their case going by default.

In preparation for this week's Council session the British Fishing Federation (BFF), which represents the country's major trawling companies, has issued a lengthy background document which restates, for the umpteenth time, its demands for a fair share of Community fish resources; a genuine commitment to conservation; and a realistic approach to control and enforcement of EEC fishing regulations.

At last month's Bonn summit Mr. Callaghan and Mr. John Silkin, Minister for Agriculture and Fisheries, agreed with Messrs. Schmidt and Ertl, their West German counterparts, that the time had come for a political initiative aimed at breaking the deadlock in EEC common fisheries policy negotiations.

This led to reports that Mr. Silkin had offered significant concessions on his previous demands, which had been rejected by the other farm ministers time and again at talks in Brussels. Mr. Silkin flatly denied that this was the case. "I have conceded nothing except a willingness to enter this new phase of the negotiations in a constructive spirit without recriminations about the past," he declared.

Fishing leaders are uneasy about the situation, however. If agreement is to be reached compromise is inevitable and, as Mr. Silkin pointed out himself, no farm minister can be expected to admit to having compromised from his own demands.

The BFF still professes to be fully behind Mr. Silkin and states, in its latest document, that confidence in him is such that the fisheries organisations accept his assurance that no sell-out is being planned. But could it be that this declaration of faith in Mr. Silkin is designed to make it even more difficult for him to break that faith?

The Federation bases its case largely on the "fair shares" principle. Current proposals by the EEC Commission, which have the backing of the other eight member states fall well short of giving the British their fair share of Community fish resources, it claims.

It says the books have been "cooked" to give the impression that the UK is being offered a generous share of EEC fish. The Commission says its proposals would mean a nominal 0.5 per cent cut in the British fish catch while other members would lose between 7 per cent and 29 per cent.

But the Federation points out that the suggested UK catch includes 100,000 tonnes of horse mackerel, "a bony, spiny species, almost totally unacceptable for human consumption." The fish, it says, is so little regarded that it has never been the subject of EEC quotas. No other country has been given a horse mackerel quota, it adds.

"This almost unbelievably transparent device," the BFF claims, has been used to disguise a real cut of 10 per cent.

The Federation also objects to the comparison methods used by the Commission.

Bumper Burma jute harvest

BY A CORRESPONDENT

BURMA EXPECTS to reap a bumper jute harvest this year. Output is predicted to top 85,760 tonnes against last year's 34,000 tonnes.

Good weather combined with adequate and prompt provision of quality seed, fertiliser, pesticides and tractor and irrigation pump services by the responsible state-run organisations, are cited as reasons for this year's good crop.

As a result of the good crop exports are expected to more than double last year's figure. The country's sole jute mill has a rated capacity of converting 20,000 tonnes annually into gunny sacks, twine and hessian cloth. But it has so far been able to handle only 17,000 tonnes annually.

For the 1978-79 fiscal year, 242,127 acres were sown with jute. However, this is still below the record season, 1972-73, when 287,545 acres were sown with jute yielding more than 89,000 tonnes of fibre. That year exports topped 48,000 tonnes.

From 1972-73 onwards, jute cultivation and output plunged steadily until 1976-77 when output was a mere 27,000 tonnes and exports fell to below 4,000 tonnes.

The period between 1973 and 1975 was disastrous for Burma. Floods alternated with drought. A shortage of fuel oil brought tractor and other agricultural services almost to a halt.

These combined to knock the props from under Burma's agriculture-based economy. Output and exports of paddy, the mainstay of the economy, was severely affected. So was jute.

But with favourable weather and good paddy harvests since 1975-76, the state was able to budget more for expansion and rejuvenation of industrial crops. Jute production jumped in 1977-78 to 34,000 tonnes of which 16,000 tonnes were exported.

The state-run Textiles Industries Corporation (Jue Project) this year was quick in handing out harvesting loans in the form of advance purchase payments at the rate of kyats 124.00 per acre. This was to help farmers to defray expenses of reaping, retting, stripping, washing and drying the fibre. The extension of this credit facility also ensured that farmers sold their product to the state and not clandestinely to private dealers.

Jute cultivation in Burma has an interesting background.

Top quality seed was imported from the U.S. in 1953 and sown experimentally on 1,500 acres in lower Burma during the growing season 1953-54.

However, the experimental plots became part of insurgent territory and remained so until 1962. In the intervening decade, the jute plants ran wild. In 1962-63 when government agricultural department officials finally were able to visit the newly-freed area, they were delighted to find the jute plants had adapted themselves to local soil and weather conditions and were thriving.

Systematic cultivation of jute then began with seed taken from these newly rediscoverd experimental plots.

Indian sugar exports likely

By K. K. Sharma

NEW DELHI, Nov. 20.

INDIAN SUGAR production in the 1978-79 season is estimated at 6.3m tonnes, Mr. Bhanu Pratap Singh, the Minister of State for Agriculture told Parliament today. Carryover stocks from the last season are 3.24m tonnes.

Since consumption in the country is expected to be 5.2m tonnes in 1978-79, there will be substantial surplus and it is expected that part of this will be exported.

COMMODITY MARKET REPORTS AND PRICES

BASE METALS

COPPER—Slightly firmer on balance in quiet trading on the London Metal Exchange. Forward metal opened higher at £771 owing to the easier tone in sterling [illegible]

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £748, 48.5; three months £769, 67.5. Cathodes, cash 736.5; three months £757. Kerb: Wirebars, three months £769, 69.5. Afternoon: Wirebars, three months £772, 72.5, 72, 3.5, 2, 1, 70.5, 71. Kerb: Wirebars, [illegible]

[illegible] ing and the price dipped to around £7,460 before finishing at £7,430 on the kerb. In the afternoon currency movements caused a further weakening and forward metal closed at £7,380 on the late kerb. Turnover 1,745 tonnes.

Morning: Standard, three months £7,400, [illegible]

COPPER	a.m. Official	+ or −	p.m. Unofficial	+ or −
Wirebars				
Cash	748.5-7	+5	749-50	+5.5
3 months	767.5-8	+5	770.5-1	+3.75
Settlem'nt	747	+5	—	......
Cathodes				
Cash	736.5	+4.75	737.5-8.5	+5.5
3 months	756.7	+5.75	758.5-60	+4.75
Settlem'nt	736.5	+4.5	—	......
U.S. Smt.	—	......	*72	......

TIN	a.m. Official	+ or −	p.m. Unofficial	+ or −
High Grade	£	£	£	£
Cash	7550-60	−55	7485-510	−15
3 months	7440-60	+5	7395-405	−35
Settlem't	7560	−60	—	......
Standard				
Cash	7520-30	−55	7470-90	−50
3 months	7430-40	......	7375-85	−55
Settlem't	7530	−55	—	......
Straits E.	$1950	+12	—	......
New York	—	......	—	......

I.G. Index Limited 01-351 3466. Three month Copper 766.5-772.5
29 Lamont Road, London SW10 0HS.
1. Tax-free trading on commodity futures.
2. The commodity futures market for the smaller investor.

LEAD [illegible]

ZINC [illegible]

ALUMINIUM [illegible]

SILVER

Silver was fixed 11.1p an ounce higher for spot delivery in the London bullion market yesterday at 307.75p. [illegible]

COCOA

[illegible]

cents per pound): Daily price for Nov. 20: [illegible] 15-day average 180.37 (180.13); 22-day average 179.95 (179.30).

COFFEE

[illegible]

GRAINS

[illegible]

Jan.-Feb.-March 97.50, April-May-June 102.00. Denaturable quality wheat, delivered East Anglia: Nov. 88.60, Dec. 90.00, Jan.-Feb.-March 93.00, April-May-June 97.00. Barley, delivered East Anglia: Nov. 82.00, Dec. 83.00, Jan.-Feb.-March 86.25, April-May-June 89.75.

RUBBER

[illegible]

SOYABEAN MEAL

[illegible]

SUGAR

[illegible]

WOOL FUTURES

[illegible]

despite currency induced firmness, and it seems buyers are still only covering needed requirements.

SYDNEY GREASY—Close (in order buyer, seller, business, sales). Micron Contract: Dec. 345.5, 348.5, 345.5-345.5, 5; March 353.0, 354.0, 354.0-354.0, 9; May [illegible]

MEAT/VEGETABLES

[illegible]

PRICE CHANGES

Price in tonnes unless otherwise stated.

	Nov. 20 1978	+ or −	Month ago
Metals			
Aluminium	£710	......	£710
Free market (c/s)	$1,180/20	......	$1140/49
Copper cash W Bar	£749.5	+5.5	£732.5
3 months do. do.	£770.75	+3.75	£753.25
Cash Cathode	£738.5	+5.5	£721
3 months do. do.	£759.25	+4.75	£741.25
Gold Troy oz.	$199.875	+1.25	$2.7 625
Lead cash	£391.5	−7.5	£397.5
3 months	£382.5	−6.5	£384.75
Nickel			
Free Market (cif)(lb)	$1.70 1.80	......	$1.78 190
Platinum troy oz.	£142	......	£130
Free Market	£165.2	+5.5	£174.05
Quicksilver (76lb.)	$155/40	......	$120..5
Silver troy oz.	307.75p	+11.1	294 25p
3 months	315.75p	+11.9	301 75p
Tin Cash	£7,480	−30.0	£7,817.5
3 months	£7,380	−55.0	£7,512.5
Tungsten (a)	$141.98	......	$141.55
Wolfram 22.04 cif.	$140/45	......	$142.47
Zinc cash	£345	−1.5	£348.75
3 months	£357.5	−1.0	£360
Producers	$720	......	$675
Oils			
Coconut (Phil)	$840x	......	$840
Groundnut	‡	......	‡
Linseed Crude (v)	£330	−5.0	£326
Palm Malayan	$595w	......	$610
Seeds			
Copra Phillip	$570x	+5.0	$570
Soyabean (U.S.)	$276w	......	$279
Grains			
Barley			
Home Futures	£88.6	+0.4	£82.45
Maize			
French No. 3 Am	£103.5	......	£103.5
Wheat			
No. 1 Red spring	£94.5v	+0.5	£92.5
No.2 Hard Winter	£89.75w	......	£87
English Milling	£92.5	+0.5	£91.5
Cocoa shipment	£2,211	+27.0	£2,086
Future Mar.	£2,170.5	+27.0	£2,025.2
Coffee Future			
Jan	£1,417	+14.0	£1,421.5
Cotton 'A' Index	79.3c	+0.6	77.5
Rubber kilo	59.5p	−0.5	60.5
Sugar (Raw)	£100	......	£109
Wooltops 64s kilo	274p	+2.0	275p

* Nominal. † New crop. ‡ Unquoted. n Nov.-Jan. o Sept. t Nov.-Dec. s Jan. w Dec. z Per ton. x Indicator prices.

FINANCIAL TIMES

Nov. 17	Nov. 16	Month ago	Year ago
259.72	257.28	+60.38	-41.72

(Base: July 1, 1952=100)

REUTERS

Nov. 20	Nov. 17	Month ago	Year ago
1509.5	1508.9	1518.5	1485.9

(Base: September 18, 1931=100)

DOW JONES

[illegible]

MOODY'S

[illegible]

(December 31, 1931=100)

GRIMSBY FISH—Supply poor, demand good. [illegible]

LIVERPOOL COTTON—Spot and shipment sales in Liverpool amounted to 269 tonnes. [illegible]

Cyprus potato cut-back urged

By Our Own Correspondent

NICOSIA, Nov. 20.

THE CYPRUS Potato Marketing Board has instructed growers to restrict production to around 115,000 tonnes this spring (as against 125,000 tonnes the previous season) because of the good crop expected in the UK and Europe in general, where prices are expected to be generally low.

At the same time, the Board is urging farmers to get the spring crop early—possibly in March and April, instead of May and June.

A spokesman for the Board said the most serious problem facing Cyprus potato exports to the UK was the high tariff imposed by the EEC (15-21 per cent). But he hoped Cyprus would find new markets, such as Austria, Germany, Holland and even France.

At present Cyprus exports small quantities of winter crop potatoes to Arab countries.

Turkey plant expansion plan

By Our Own Correspondent

ONE OF Europe's largest turkey producers yesterday revealed plans for a new £1.5m plant in East Anglia which could create 500 more jobs.

Bernard Matthews of Great Witchingham, Norfolk, wants to build a new processing plant and growing farm complex. There is a chance the new firm could be situated at Halesworth in Suffolk where the company already has a plant at nearby Holton, employing 100 people.

The scheme is seen by the company as a major investment. Matthews already employs 850 people who produce more than 5m turkeys a year, many of which are exported.

EEC accused of flour dumping

SANTIAGO, Nov. 20.

CHILE'S NATIONAL Agricultural Society says the European Community is dumping flour in Chile and asked the authorities to investigate.

In letters sent to Alfonsso Marquez de la Plata, the Agriculture Minister, and the President of the Central Bank, the society said 11,750 tonnes of flour were recently imported at the cost of $175 a tonne cif.

It said the flour apparently came from France and West Germany.

Reuter

TEA AUCTION

Tea prices showed little change at the London auctions yesterday. Average price for quality tea was in fact unchanged at 136p a kilo. Medium grades were 2p up at 118p and plain tea was 2p lower at 77p a kilo.

STOCK EXCHANGE REPORT

Equities again in lethargic mood while British Funds adjust to terms of Friday's £1.3bn new tap issues

Account Dealing Dates
Option

*First Dealings	Declarations	Last Dealings	Account Day
Oct. 30	Nov. 9	Nov. 10	Nov. 21
Nov. 13	Nov. 23	Nov. 24	Dec. 5
Nov. 27	Dec. 7	Dec. 8	Dec. 19

* "New time" dealings may take place from 9.30 a.m. two business days earlier.

Stock market entered the second and final leg of the trading account in lethargic mood. Restrained still by the obscure outlook for the Government's pay policy, where hopes were not raised by the preparations for new informal Government-TUC talks, institutional sources continued to bide their time and a demand for second-line equities *from the smaller investor* was insufficient to check a drifting tendency which was apparent from the start.

Theories were expressed that the recent capital raising calls from Beecham and others have taken a toll on available investment funds. The Gilt-edged market, in particular, is currently digesting the effects of last Friday's surprise £1.3bn of new tap stocks. Furthermore, speculation persists about another major rights issue being in the offing this week providing market conditions are not against it.

Optimism that the new nil-paid shares resulting from Beecham's £52.5m rights issue would commence life at around 45p premium *proved to be misplaced. From an* opening of about 40p premium, the *price* reacted on persistent *small* sales, usually of a few hundred shares, to 28p premium before hardening to close a 33p *premium.*

Although it was generally agreed that selling pressure on leading industrials could only be described as light, the reluctance *of buyers was unsettling and,* measured by the *FT 30-share* index, the tone deteriorated progressively. At the 10 am calculation the fall was only 0.6, but at each subsequent count until the last the loss was gradually increased, the close being 4 points off at 468.8 as against the 4.6 decline at 3 pm.

Consideration of last Friday's two new tap stocks, totalling £1.3bn, was reflected in British Funds which adjusted to the terms of these issues. The longer maturities began lower than the levels obtaining late on Friday and the higher-coupon stocks lost ¼ further as buyers assessed market prospects and digested the increased purchases of the previous week. *Speculative profit-taking* brought losses to the shorts extending to ⅛, but it was emphasised at both ends of the market that overall selling was modest.

A good business in the investment currency market for both institutional and arbitrage accounts saw the premium fluctuate between extremes of 87½ and 83½ per cent. before closing 2½ down on balance at 84¼ per cent. Yesterday's SE conversion factor was 0.7275 (0.7165).

Suspended last Friday at £32¼ pending further news of the bid talks with Petro Canada, dealings were resumed in **Pacific Petroleum** following details of P.C.'s agreed C$65.02 per share bid; yesterday's close was £36¼.

Yesterday's 199 was the lowest number of contracts completed in the Traded Option market since dealings began on April 21. Of yesterday's total 94 were dealt in Courtaulds in front of today's interim results.

Cedar Holdings up

Quoted under Special Rules, **Cedar Holdings** jumped 5 to 24p and the preference 21 to 68p in response to the respective 26p and 76p cash bid terms offered by **Lloyds and Scottish**; the latter closed a penny harder at 84p. Elsewhere in a lethargic banking sector, **Hongkong and Shanghai** fell 18 further to 237p on domestic and investment currency influences, while **ANZ** closed below the best but 2 up at 297p in response to the sharply higher annual profits. The major clearers drifted lower on lack of support, **Midland** closing 6 off at 342p.

Interest in Insurance brokers waned considerably after Friday's increased activity which followed news of Sedgwick Forbes's plan to merge with **Bland Payne** and then consummate the combined business with Alexander and Alexander Services of the U.S. The closing tone was *mixed.*

Breweries tended lower following a small trade. **Allied** eased ½ to 82½p ahead of today's interim statement. Lingering demand that developed late on Friday, **Matthew Clark** rose 10 to 130p.

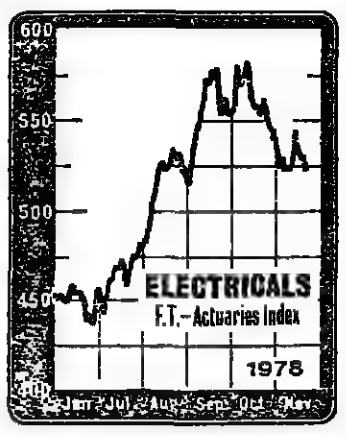
Parker Timber provided an isolated firm spot, rising 10 to 127p on revived **bid rumours**, in dull Building descriptions. Small scrappy selling left **Taylor Woodrow** 5 cheaper at 395p and **Richard Costain** 2 lower at 234p, but further consideration of the reduced mid-term loss left **Edward Jones** a penny better at 13p. **Whatlings** *also firmed a penny*, to 38p. Elsewhere, **Tunnel "B"** gave up 6 to 298p while **Marley** eased a penny to a 1978 low of 67p.

Ahead of Thursday's third-quarter figures, **ICI** eased 2 to 360p.

J. Michael firm

Reports that consumer confidence is currently at its lowest for almost two years because of fears about a worsening inflation rate outweighed a Charterhouse Christmas spending spree is in the Group prediction that a record offing and prices of leading Stores drifted lower on small offerings and lack of support. **Gussies "A"** cheapened 4 to 296p and **Mothercare** eased 2 to 154p as did **Burton "A"**, to 162p. Elsewhere, an investment recommendation drew buyers' attention to **John Michael of Saville Row** which closed 4 to the good at 20p, after 21p. **Ratners**, up 9 last week on Press comment, declined 5 to 65p on profit-taking.

The Government's decision to study their rival turbine designs served to depress **GEC** in **Northern Engineering**: the former ran back 6 to 311p and the latter declined 3 to 128p. Elsewhere in dull Electricals, **Thorn** gave up 6 to



345p and **Plessey** eased 2 to 104p. Nervous offerings ahead of tomorrow's *mid-term results* left **M.K. Electric** 6 lower at 202p, while renewed selling prompted a fresh decline of 10 to 226p in **United Scientific**. **Campbell and Isherwood** dipped 5 to 120p but **Henry Wigfall** contrasted with an *improvement* of 4 to 232p.

Quietly dull conditions prevailed in the Engineering leaders. **John Brown** were again vulnerable to small persistent offerings and the close was a further 6 lower at 388p with the new nil-paid shares closing a like amount down at 42p premium. Elsewhere, **Redman Heenan** added 3 to 34p in response to Press comment and **London and Midland Industrials** hardened 2 to 103p following the increase in interim earnings. **Birmingham** *Mint added* 4 at 128p, but **M. L. Holdings** lost 3 to 163p as did **Ransomes Simms and Jefferies**, at 133p.

Leading Foods generally marked time in the absence of investment incentive, but a Press mention lifted **Associated Dairies** 4 to 172p. **Louis C. Edwards** added 1½ to a high for the year of 24p, while **George Bassett** found a little support and improved 2 to 114p. The stepping-up of industrial action in the bread strike left **A.B. Foods** a penny easier at 68p and **RHM** ½ cheaper at 51p.

In Hotels, **Myddleton** jumped 80 to 295p on the late announcement of an agreed 300p cash offer from **Ladbroke**: the latter eased a penny to 137p. **Reflecting** interest that developed late on Friday, **Prince of Wales** improved 4 to 79p, but lack of interest left **De Vere** that much cheaper at 150p.

Wicanning fall

Miscellaneous Industrial leaders got the week off to a quietly dull start. **Beecham** were quoted down a further 10 at 600p ex the £52½m rights issue, while an active debut by the new nil-paid shares saw them open at 40p premium and touch 28p before closing at 33p premium. **Metal Box** eased 4 to 298p in front of *today's interim results and falls* of 4 and 6 respectively were seen in **Rank**, 240p, and **Reed International**, 148p. Elsewhere, **W. Canning** fell 11 to 52p, after 48p, in reaction to the chairman's warning in his annual review that the expected recovery in second-half profits will not now materialise. Comment on the disappointing annual figures *prompted a fresh fall of 2 to 51p* in **"W" Ribbons**, while domestic and investment currency influences prompted losses of between 5 and 8 in Far-Eastern concerns **Hutchinson**, 38p, **Jardine Matheson**, 175p, and **Swire Pacific**, 98p. A dull market last week following the sale by Talbex of its near-30 per cent stake, **Hoskins and Horton** continued to wilt in *ex-rights form*, the ordinary finishing a net 8 lower at 137p, while the new-nil paid opened at 12½p premium and closed at 10p premium. By way of contrast, **Carlton Industries** gained 8 to 227p with the help of Press comment.

In the **Leisure sector**, recent Press comment continued to stimulate interest in **Norton and Wright** *which gained 11 for a two-day rise of 17 at 133p.*

Motor Distributors touched slightly higher levels on hopes of an early Ford settlement: **Harold Perry** featured, rising 4 to 111p, while **Tate of Leeds**, 71p, and **Heron Motor**, 98p, both improved a penny. **Western Motor** however, cheapened a penny to 105p after further reflections on the forecast downturn in full-year profits. In Components, **Dunlop** also shed a penny, to a 1978 low of 63p, but **Lucas** finished a like amount to the good at 298p, after the chairman's encouraging statement on trade.

Newspapers tended lower in quiet trading with **Associated Newspapers**, 178p, and **Daily Mail A**, 348p, both easing 2. **United Newspapers** met small sellers and lost 7 to 325p. Elsewhere, **Saatchi and Saatchi**, a good market of late, put on 8 to 125p following another investment recommendation.

In barely tested Properties, occasional small offering clipped 4 from **Stock Conversion** at 262p and a like amount from **Bernard Sunley** at 246p. **Bradford Property Trust** found a little support and improved 4 to 254p. Following satisfactory annual results and the proposed 30 per cent scrip issue, **Town Centre Securities** held at 74p. Reflecting Far Eastern advices, **Hong Kong Land** *shed 8 to 113p.*

BP against the trend

British Petroleum managed to improve despite slightly unfavourable Wall Street advices and closed 8 higher at 914p. Elsewhere in Oils, the tone was less encouraging and **Shell** shed 2 to 570p, while similar small losses were incurred by the more speculative counters. Reflecting the overnight trend in Australia, **Woodside** fell 5 to 32p.

In Overseas Traders, **Sime Darby** reacted to Singapore advices and dropped 8 to 86p.

Following last Friday's rally on the company's denial that it was seeking aid, **P & O Deferred** turned reactionary again and closed 3½ easier at a 1978 low of 76½p in quietly dull Shippings. **Reardon Smith** lost 3 to 77p and the "A" 2 to 32p in front of today's interim figures.

Movements of note in Trusts and Financial were few and far between and generally confined to overseas concerns which gave ground on domestic and investment currency influences. **Jardine Securities** fell 8 to 82p, while losses of 5 were seen in **Haw Par**, 42p, and **Majedie**, 68p.

Idle Textiles edged downwards. **Courtaulds** eased 2 to 110p on nervous offerings ahead of tomorrow's interim statement and talk of a possible rights issue. *In lower-priced issues*, **Homfray**, 37p, **John Foster**, 38p, and **Highams**, 49p, all lost 2. **Sirdar**, on the other hand, responded to speculation of a possible bid from Readicut and rose 2 to 108p.

Plantations succumbed to Far-Eastern pressures, **Chersonese** falling 4 to 45, with **Guthrie**, 310p, and **Highlands**, 87p easing 5 apiece.

Westfield up again

Most of the attention in mining markets was centred on **Westfield Minerals**, which jumped 26 more to a 1978 high of 282p following renewed Canadian, Irish and London speculative buying.

The buying continued to reflect optimism over the company's 25 per cent interest in 640 acres of petroleum and natural gas leases in the Wayne Rosedale area of Alberta. Westfield's shares have risen over 100p since news of the leases was announced last week.

Northgate Exploration, which has a 45 per cent stake in Westfield, rose to 460p prior to closing 5 firmer on balance at 445p. On the other hand **Anglo-United Development**, another company in the Northgate group, fell 8 to 210p.

Interest in South African Gold shares was minimal, although small scattered buying interest enabled prices to show modest gains overall, as reflected by the 0.1 increase in the Gold Mines index to 131.8. The ex-premium index put on 1.6 to 96.0.

The bullion price gained $1.25 to $199.875 per ounce in front of today's U.S. Treasury gold auction.

Heavyweight golds continued to come under selling pressure with **Randfontein** ¾ cheaper at £28 and **Hartebeest** ¼ off at £11¾. Lower-priced issues, however, attracted a modest buying interest. **President Brand** rose 17 to 785p, **Unisel** 6 to 186p and **Welkom** 4 to 221p.

Financials weakened across the board. South Africans to lose ground included **De Beers**, 8 lower at 338p, and **Johnnies**, which fell ½ to £12½. Among the London-registered issues **Charter** continued their recent decline and gave up 5 to 123p.

Australians lost further ground in line with overnight home markets and the lower premium. **Western Mining** dropped 8 to 123p, **North Broken Hill** 6 to 99p and **Conzinc Riotinto** 9 to 238p.

The decline in far eastern markets—notably Hongkong and Kuala Lumpur—prompted renewed selling of Tins with **Berjuntai** another 15 off at 188p and **Pahang** 6 down at 43p.

FINANCIAL TIMES STOCK INDICES

—	Nov. 20	Nov. 17	Nov. 16	Nov. 15	Nov. 14	Nov. 13	A year ago
Government Secs.	67.97	68.22	68.27	68.28	68.28	67.98	75.93
Fixed Interest	69.55	69.63	69.56	69.52	69.41	69.30	78.78
Industrial	468.8	472.8	471.0	475.6	487.5	474.5	475.3
Gold Mines	131.8	131.7	130.3	133.6	137.8	138.1	141.1
Gold Mines Ex-$ pm.	96.0	94.4	91.5	95.9	100.2	99.7	100.7
Ord. Div. Yield	6.12	6.07	6.02	5.72	5.59	5.71	5.61
Earnings, Y'ld % (full)	16.18	16.05	16.06	15.99	15.64	15.97	16.90
P/E Ratio (net) (*)	8.00	8.06	8.06	8.11	8.30	8.13	8.40
Dealings marked	4,268	3,766	3,909	4,936	4,247	4,573	4,474
Equity turnover £m	—	52.50	64.85	74.66	72.10	55.78	46.14
Equity bargains total	—	12,690	13,402	14,543	14,213	13,373	12,181

10 am 472.2. 11 am 471.4. Noon 470.3. 1 pm 469.1.
2 pm 468.6. 3 pm 468.2.
Latest Index 01-246 8026.
* Nil=7.29.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/9/55. Ex-$ pm index started June 1972. SE Activity July-Dec. 1942.

HIGHS AND LOWS

—	1978 High	1978 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	78.58 (5/1)	67.97 (10/11)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	81.27 (9/1)	69.30 (13/11)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	535.5 (14/9)	433.4 (2/3)	549.2 (14/9/77)	49.4 (26/6/40)
Gold Mines	206.5 (14/8)	130.3 (6/1)	442.3 (22/5/75)	43.5 (26/10/71)
Gold Mines (Ex-$ pm.)	132.3 (14/8)	90.5 (1/4)	337.1 (3/4/74)	54.3 (25/6/76)

S.E. ACTIVITY

—	Nov. 20	Nov. 17
—Daily		
Gilt-Edged	188.5	184.1
Industrials	136.1	118.6
Speculative	30.3	29.7
Totals	97.1	85.5
5-day Average		
Gilt-Edged	170.4	174.9
Industrials	137.8	138.5
Speculative	30.4	31.2
Totals	96.1	97.5

NEW HIGHS AND LOWS FOR 1978

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1978.

NEW HIGHS (10)

CANADIANS (1)
Pacific Petroleum
BUILDINGS (1)
Parker Timber
STORES (1)
Michael (J.)
FOODS (1)
Edwards (L. C.)
INDUSTRIALS (3)
Feedex
Sotheby P. B.
London & Northern
LEISURE (1)
Norton & Wright
TEXTILES (1)
Sirdar
OVERSEAS TRADERS (1)
Great Northern

NEW LOWS (25)

BRITISH FUNDS (1)
Funding 6pc '85-87
CORPORATION LOANS (1)
G.L.C. 12pc '82
LOANS (1)
Alcan 10pc '89-94
BUILDINGS (1)
Marley
CHEMICALS (1)
Fisons
ELECTRICALS (2)
Campbell Isherwood
United Scientific
ENGINEERING (2)
Sykes (Henry)
W'l Electric
INDUSTRIALS (6)
Bridgend Processes
Portals
Camrex
"W" Ribbons
Canning (W.)
Wood Hall
MOTORS (1)
Dunlop
NEWSPAPERS (1)
Pyramid
PAPER (1)
Bunzl Pulp
SHIPPING (2)
Ocean Transport
P. & O. Defd.
TEXTILES (1)
Homfray
TOBACCOS (1)
Siemssen Hunter
OILS (1)
Woodside
TEAS (1)
Assam Frontier
MINES (1)
Berjuntai

YESTERDAY RISES AND FALLS

	Up	Down	Same
British Funds	1	66	7
Corpns., Dom. and Foreign Bonds	2	18	65
Industrials	183	398	907
Financial and Prop.	35	100	332
Oils	2	11	24
Plantations	—	16	15
Mines	24	58	59
Recent Issues	2	5	15
Totals	247	662	1,505

LONDON TRADED OPTIONS

Option	Ex'rcise price	January Closing offer	January Vol.	April Closing offer	April Vol.	July Closing offer	July Vol.	Equity close
BP	850	90	—	110	6	130	—	914p
BP	950	15	5	41	—	55	2	"
Com. Union	140	9	4	15	—	15	—	152p
Courtaulds	120	3½	47	6	—	9	—	111p
Courtaulds	130	1½	5	3½	82	6	—	
GEC	[illegible]	37	—	44	2	—	—	311p
GEC	300	20	5	30	—	42	—	"
GEC	330	7	—	16	5	25	—	"
GEC	360	2	—	7	7	—	—	
Grand Met.	100	9	15	13½	—	17	—	105p
Grand Met.	120	1	5	4	—	5	—	
ICI	330	39	5	48	—	—	—	360p
ICI	360	16	5	28	5	37	—	"
ICI	390	5½	5	11½	—	19	—	"
Marks & Sp.	70	16	5	19	—	21	—	84p
Totals			104		67		2	
		November		February		May		
BOC Intl.	80	¼	—	1½	—	3	2	80p
Boots	200	11½	15	10½	—	19	—	"
Boots	220	¼	—	4	7	10½	—	"
Boots	240	¼	—	1½	—	4½	4	"
			15		7		6	

OPTIONS

DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
Nov. 21	Dec. 4	Feb. 22	Mar. 6
Dec. 5	Dec. 18	Mar. 8	Mar. 20
Dec. 19	Jan. 8	Mar. 22	Apr. 3

For rate indications see end of Share Information Service

Call options were completed in Ladroke Warrants, May and Hassell, Hongkong and Shanghai Banking, British Land. Puts reported included Ladbroke, Arthur Bell, and "W" Ribbons, while double options were completed in Talbex, May and Hassell, Capital and Counties Property and Premier Oil.

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1978 high	1978 low
Beecham 'New'	Nil/pd.	17	33pm	—	41pm	28pm
BP	£1	11	914	+ 8	928	720
GEC	25p	11	311	− 6	340	233
ICI	£1	9	360	− 2	421	328
BATs Defd.	25p	8	235	—	304	227
Brown (J.) 'New'	Nil/pd.	7	42pm	− 6	64pm	42pm
Lloyds Bank	£1	7	255	—	297	242
Shell Transport	25p	7	570	− 2	602	484
Distillers	50p	6	198	—	215	163
Grand Met.	50p	6	104½	− ½	121	87
NatWest	£1	6	232	− 3	238	230
P. & O. Defd.	£1	6	76½	− 3½	113	76½
Barclays Bank	£1	5	342	− 3	368	298
EMI	50p	5	150	− 1	190	130
GUS A	25p	5	296	− 4	340	256

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid Up	Latest Renunc. Date	1978 High	1978 Low	Stock	Closing Price p	+ or −	Div. P'r'g Amount	Times Covered	Gross Yield	P.E. Ratio
42½	F.P.	24/11	48	45	Arncliffe Hldgs.	43	......	u2.0	2.4	8.6	6.9
A$0.50	F.P.	—	70	64	Ashton Mining 50c	65	−1	—	—	—	—
101	F.P.	22/11	400	345	Ferranti New	362	......	‡6.75	11.9	2.4	9.6
[illegible]	F.P.	—	122	100	Rightwise	115	+2	—	—	—	4.7

FIXED INTEREST STOCKS

Issue Price £	Amount Paid Up	Latest Renunc. Date	1978 High	1978 Low	Stock	Closing Price £	+ or −
£99¾	F.P.	—	99⅝	99	Anglesey Variable 1985	99½	......
¶	£10	4/1	10⅛	9¾	Bristol Waterworks 7% Prf. 1986	10	......
£100	F.P.	16/11	107	101	Crosby House 10% Conv. '87-90	103	......
£21	F.P.	—	99	99	Newman Inds 10½% Acc. Pref.	99p	......
[illegible]	F.P.	26/10	137	118	Prov. Laundries 12% Cnv. [illegible]	137	+2
£97½	£10	25/1	9¼	9	Rickmansworth & Uxbridge Water 7% '86	9¼	......
[illegible]	F.P.	—	125	105	Rightwise 10% Conv. Uns. 1991	124	−1
£99½	£50	10/1	49	46	Southwark Corp. 12½% Red. 1987	46	−¼
£97½	£10	26/1	9¼	9¼	West Kent Water 7% Pref. 1984	9½	......

"RIGHTS" OFFERS

Issue Price p	Amount Paid Up	Latest Renunc. Date ●	Latest Renunc. Date ■	1978 High	1978 Low	Stock	Closing Price p	+ or −
30	F.P.	11/1	24/11	68	65½	Astbury & Madeley	68	......
560	Nil	—	—	41pm	28pm	Beecham	33pm	......
32	Nil	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	4[illegible]	......
350	Nil	[illegible]	[illegible]	64pm	42pm	Brown (J.)	42pm	−6
67	Nil	29/11	[illegible]	[illegible]	[illegible]	Capper-Neill	[illegible]	[illegible]
15	F.P.	18/10	30/11	[illegible]	[illegible]	Change Wares	14	......
12	F.P.	17/11	8/12	110	104	[illegible]	110	......
130	Nil	—	—	12pm	10pm	Hoskins & Horton	10pm	......
10	Nil	—	—	[illegible]	[illegible]	[illegible]	[illegible]	......
74	Nil	—	—	[illegible]	[illegible]	[illegible]	[illegible]	......
166	F.P.	6/11	8/12	196	169	[illegible]	169	......

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimate. g Assumed dividend and yield. u Forecast dividend; cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1979. Q Gross. T Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price to public. pt Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation, merger or take-over. ‖‖ Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS — GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Mon., Nov. 20 1978 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 33%)	Est. P/E Ratio (Net)	Fri. Nov. 17 Index No.	Thur. Nov. 16 Index No.	Wed. Nov. 15 Index No.	Tues. Nov. 14 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (171)	225.90	−0.7	17.31	5.61	7.93	227.58	227.04	229.38	232.54	199.82
2	*Building Materials* (27)	192.28	−0.5	18.37	5.89	7.49	193.17	192.87	195.69	196.86	188.23
3	Contracting, Construction (28)	361.81	−0.2	20.56	4.49	6.98	361.05	360.84	365.32	368.73	324.42
4	Electricals (14)	523.96	−1.4	13.97	3.55	9.86	531.33	528.59	532.04	544.91	416.60
5	Engineering Contractors (14)	354.63	−1.1	18.17	6.27	7.46	358.71	356.79	363.51	367.92	276.74
6	Mechanical Engineering (72)	177.24	−0.5	18.77	6.29	7.14	178.04	178.17	179.80	181.63	157.23
8	Metals and Metal Forming (16)	160.04	−0.5	16.99	8.93	8.18	160.82	160.46	161.98	164.21	157.85
	CONSUMER GOODS										
11	(DURABLE) (53)	199.28	−0.4	17.64	5.37	7.60	200.12	198.88	201.67	202.83	190.49
12	Lt. Electronics, Radio, TV (16)	245.89	−0.7	14.78	4.17	9.49	247.59	245.36	248.87	250.54	229.28
13	Household Goods (12)	169.55	−0.2	17.90	6.71	7.66	169.82	169.82	170.72	169.82	180.54
14	*Motors and Distributors* (25)	118.46	—	22.46	7.11	5.67	118.49	118.16	119.99	120.80	114.95
	CONSUMER GOODS										
21	(NON-DURABLE) (172)	203.51	−0.5	16.37	6.14	8.23	204.54	203.39	205.51	209.46	194.44
22	Breweries (14)	225.83	−0.4	15.16	6.37	9.18	224.66	224.59	226.16	230.27	222.69
23	Wines and Spirits (6)	278.64	−0.1	15.42	5.16	9.58	278.89	276.61	278.65	283.51	231.90
24	Entertainment, Catering (17)	252.92	−0.5	14.66	6.96	9.95	254.11	252.31	255.09	261.41	250.29
25	Food Manufacturing (19)	200.66	−0.6	18.96	5.56	7.04	201.83	200.25	202.56	205.73	192.22
26	Food Retailing (15)	216.93	+0.1	14.14	5.45	9.85	216.69	216.00	221.74	224.91	198.20
32	Newspapers, Publishing (12)	365.73	−0.6	21.61	6.62	6.54	367.81	367.89	370.64	371.78	329.29
33	Packaging and Paper (15)	129.89	−1.3	19.83	7.67	6.64	131.62	130.23	132.12	132.85	126.22
34	Stores (40)	192.07	−0.7	11.98	4.84	12.01	193.48	192.09	193.60	198.99	186.45
35	Textiles (25)	172.04	−0.8	18.96	8.50	6.84	173.46	173.66	175.69	176.79	163.06
36	Tobaccos (3)	225.68	—	24.39	8.31	4.85	225.68	224.19	225.87	230.30	214.77
37	Toys and Games (6)	90.65	+0.6	25.01	7.13	4.68	90.12	92.77	94.74	95.19	106.12
41	OTHER GROUPS (99)	190.84	−0.7	16.30	6.47	7.89	192.16	192.25	194.74	197.53	188.71
42	Chemicals (19)	272.03	−0.6	16.83	6.95	7.73	273.70	274.84	277.97	283.02	257.65
43	Pharmaceutical Products (7)	238.44	−1.0	11.56	4.88	10.48	240.96	241.82	244.42	250.49	0.00
44	Office Equipment (6)	125.24	−1.2	19.40	6.09	6.15	126.72	125.32	126.50	126.90	120.30
45	Shipping (10)	393.90	−1.7	15.36	7.72	8.26	400.63	395.78	400.83	403.30	460.27
46	Miscellaneous (57)	206.15	−0.2	18.31	6.84	7.26	206.66	206.57	209.98	211.61	195.89
49	INDUSTRIAL GROUP (495)	212.24	−0.6	16.68	6.03	8.02	213.53	212.81	215.21	218.58	200.77
51	Oils (5)	511.26	+0.3	13.67	3.93	7.94	509.82	508.35	511.88	519.11	564.56
59	500 SHARE INDEX	236.91	−0.5	16.21	5.70	8.01	238.01	237.23	239.75	243.44	225.60
61	FINANCIAL GROUP (100)	160.31	−0.5	—	6.09	—	161.12	160.35	161.55	163.47	159.83
62	Banks (6)	184.94	−0.9	25.24	6.34	5.94	186.53	185.23	188.29	191.19	182.82
63	Discount Houses (10)	205.32	+0.3	—	8.57	—	204.75	203.82	202.79	202.79	200.82
64	Hire Purchase (5)	137.02	−0.1	17.78	6.01	7.42	137.13	136.39	137.18	137.92	160.22
65	Insurance (Life) (10)	127.95	−0.9	—	7.34	—	129.11	128.26	129.82	130.26	134.12
66	Insurance (Composite) (7)	119.89	−0.3	—	7.31	—	120.25	119.23	119.03	120.79	126.56
67	Insurance Brokers (10)	313.66	−0.1	15.23	5.34	9.37	314.12	319.24	321.58	323.05	314.59
68	Merchant Banks (14)	75.97	+0.2	—	6.45	—	75.80	75.67	76.29	76.39	80.29
69	Property (31)	247.35	−0.5	3.73	3.05	44.84	248.64	248.27	249.78	254.03	218.04
70	Miscellaneous (7)	106.79	−0.1	23.69	7.87	5.46	106.92	104.74	104.71	104.74	101.55
71	Investment Trusts (50)	200.18	+0.1	—	5.33	—	200.01	200.49	201.33	201.38	192.96
81	Mining Finance (4)	99.17	−1.8	18.95	7.18	6.50	100.94	100.14	102.95	105.00	86.82
91	Overseas Traders (19)	300.71	−1.6	16.43	7.81	7.63	305.48	306.04	309.49	309.46	272.63
99	ALL-SHARE INDEX (673)	216.23	−0.5	—	5.82	—	217.31	216.60	218.80	221.84	207.06

FIXED INTEREST PRICE INDICES

	British Government	Mon., Nov. 20	Day's change %	xd adj. To-day	xd adj. 1978 to date
1	Under 5 years	102.95	−0.18	—	8.19
2	5-15 years	111.55	−0.40	—	8.32
3	Over 15 years	115.67	−0.50	—	12.55
4	Irredeemables	120.15	−0.20	—	13.32
5	All stocks	109.47	−0.35	—	9.91

FIXED INTEREST YIELDS

	Br. Govt. Av. Gross Red.		Mon., Nov. 20	Fri., Nov. 17	Year ago (approx.)
1	Low	5 years	9.68	9.63	6.65
2	Coupons	15 years	11.53	11.46	9.75
3		25 years	12.25	12.16	10.40
4	Medium	5 years	12.70	12.62	9.43
5	Coupons	15 years	12.75	12.68	10.49
6		25 years	12.75	12.68	10.72
7	High	5 years	12.71	12.61	9.90
8	Coupons	15 years	13.30	13.22	11.53
9		25 years	13.37	13.29	11.60
10	Irredeemables		12.15	12.13	10.28

		Mon., Nov. 20 Index No.	Yield %	Friday Nov. 17	Thurs. Nov. 16	Wed. Nov. 15	Tues. Nov. 14	Mon. Nov. 13	Friday Nov. 10	Thurs. Nov. 9	Year ago (approx.)
15	20-yr. Red. Deb & Loans (15)	55.14	13.45	55.14	55.10	55.10	55.07	55.13	55.25	[illegible]	63.19
16	Investment Trust Prefs. (15)	51.64	13.57	51.54	51.54	51.54	51.54	51.43	51.53	[illegible]	57.14
17	Coml. and Indl. Prefs. (20)	71.62	13.06	71.61	71.52	71.59	71.86	71.60	71.78	71.78	72.80

† Redemption yield. Highs and lows record, base dates and values and constituent changes are published in Saturday issues. A list of the constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 13p, by post 22p.

AUTHORISED UNIT TRUSTS

هكذا من الأصل

Abbey Unit Tst. Mngrs. Ltd. (a)
72-80, Gatehouse Rd., Aylesbury. 0296 5941
Abbey Capital 33.3 35.4 -0.1 4.46
Abbey Income 39.9 42.4 -0.1 6.28
Abbey Inv. Tst. Fd. 35.5 36.7 5.17
Abbey Gen. Tst. 45.2 48.1 -0.2 4.31
Equitas Prog. Tst. 64.6 68.2 -0.2 6.77

Allied Hambro Group (a)(g)
Hambro Hse., Hutton, Brentwood, Essex.
01-588 2851 or Brentwood (0277) 211459
Balanced Funds
Allied 1st 65.3 69.9 -0.3 5.79
Brit. Inds. Fund 62.5 66.9 -0.2 5.77
Grth. & Inc. 36.2 38.7 -0.2 5.43
Elect. & Ind. Dev. 33.8 36.2 -0.1 4.89
Allied Capital 67.2 71.9 -0.2 4.73
Hambro Fund 105.7 113.1 -0.2 5.39
Hambro Acc. Fd. 120.2 128.7 -0.5 5.01
Income Funds
High Yield Fd. 70.7 75.7 -0.1 8.32
High Income 65.1 69.7 -0.2 7.10
A.H. Eq. Inc. 39.1 41.8 7.29
International Funds
International 25.3 27.1 -0.1 2.51
Pacific Fund 42.3 45.3 -1.2 2.21
Secs. Of America 49.3 52.8 +0.5 2.19
U.S.A. Exempt 87.5 92.1 +0.9 1.63
Specialist Funds
Smaller Co.'s Fd. 36.0 38.5 4.81
2nd Smlr. Co.'s Fd. 46.0 49.2 4.84
Recovery Sits. 94.2 100.8 -0.2 5.11
Met. Min. & C'dty. 38.9 41.6 -0.2 5.50
Overseas Earnings 57.3 61.3 -0.2 4.73
Expt. Smlr. Co's 232.0 244.2 -0.1 5.32

Anderson Unit Trust Managers Ltd.
158, Fenchurch St., EC3M 6AA. 623 6231
Anderson U.T. 50.1 54.2 5.14

Ansbacher Unit Mgmt. Co. Ltd.
1 Noble St., EC2V 7JA. 01-623 6376
Inc. Monthly Fund 175 185 9.07

Arbuthnot Securities Ltd. (a)(c)
37, Queen St., London EC4R 1BY. 01-236 5281
High Yield 43.8 47.3 11.76
(Accum. Units) 64.0 69.1 11.74
Extra Income Fd. 104.7 112.8 -0.2 10.97
High Inc. Fund 39.5 42.6 9.45
(Accum. Units) 55.0 59.4 9.45
(6½% W'drwl. Uts.) 52.5 56.7 9.45
Preference Fund 25.0 26.9 12.19
(Accum. Units) 38.7 41.7 12.19
Capital Fund 18.4 19.8 ...
Commodity Fund 58.4 62.8 -0.9 6.00
(Accum. Units) 85.1 91.5 -0.9 6.00
(10% W'drwl. U.) 49.4 53.2 -0.5 6.00
Fin. & Prop. Fd. 16.6 17.7 3.06
Giants Fund 36.3 39.2 -0.1 2.55
(Accum. Units) 42.6 46.0 2.55
Growth Fund 32.4 34.9 -0.2 2.59
(Accum. Units) 38.9 41.9 -0.1 2.59
Smaller Co's Fd. 25.3 27.3 4.29
Eastern & Intl. Fd. 22.2 23.9 -0.9 1.52
(6% W'drwl. Uts.) 17.0 18.3 -0.6 1.52
Foreign Fd. 80.4 86.5 1.60
N. Amer. & Int. Fd. 26.1 28.1 +0.2 0.90

Archway Unit Tst. Mgs. Ltd. (a)(c)
317, High Holborn, WC1V 7NL. 01-831 6233
Archway Fund 82.5 87.8 6.06
Prices at Nov. 16. Next sub. day Nov. 23.

Barclays Unicorn Ltd. (a)(c)(g)
Unicorn Ho. 252 Romford Rd. E7. 01-534 5544
Unicorn America 29.9 32.3 +0.2 1.40
Do. Aust. Acc. 69.1 74.7 -2.8 1.92
Do. Aust. Inc. 54.5 58.9 -1.7 1.92
Do. Capital 65.3 70.6 -0.3 4.61
Do. Exempt Tst. 107.1 111.6 -0.3 6.52
Do. Extra Income 28.1 30.4 -0.1 8.63
Do. Financial 60.0 64.9 -0.3 5.28
Do. 500 74.2 80.2 -0.3 6.20
Do. General 31.2 33.7 -0.1 6.29
Do. Growth Acc. 40.8 44.1 -0.2 4.41
Do. Income Tst. 83.9 90.7 -0.1 6.51
Do. Prf. A'ns. Tst. 145.5 153.2 4.95
Prices at Oct. 31. Next sub. day Nov. 29.
Do. Recovery 43.8 47.3 -0.1 4.15
Do. Trustee Fund 114.3 123.6 -0.3 5.29
Do. W'wide Tst. 48.6 52.5 -0.1 2.39
B'ist. In. Fd. Inc. 59.0 61.5 5.47
Do. Accum. 68.8 71.7 5.47

Baring Brothers & Co. Ltd. (a)(x)
88, Leadenhall St., E.C.3. 01-588 2830
Stratton Tst. 172.8 180.4 4.24
Do. Accum. 217.0 226.2 4.24
Next sub. day Nov. 22.

Bishopsgate Progressive Mgmt. Co.
9, Bishopsgate, E.C.2. 01-588 6280

Framlington Unit Mgt. Ltd. (a)
5-7 Ireland Yard, EC4B 5DH. 01-248 6971
American 41.4 44.6 1.25
Capital Tst. 128.8 137.2 3.54
Income Tst. 106.4 113.0 6.84
Int. Growth Fd. 106.6 113.4 2.45
Do. Accum. 111.0 118.0 2.45

Friends' Provdt. Unit Tr. Mgrs.
Pixham End, Dorking. 0306 5055
Friends Prov. Uts. 42.8 44.9 -0.1 4.86
Do. Accum. 55.4 59.2 -0.2 4.86

G.T. Unit Managers Ltd.
16, Finsbury Circus EC2M 7DD. 01-628 8131
G.T. Cap. Inc. 79.6 84.9 3.50
Do. Acc. 96.3 102.4 3.50
G.T. Inc. Fd. Un. 155.4 163.1 8.70
G.T. U.S. & Gen. 117.5 124.9 3.10
G.T. Japan & Gen. 89.9 94.6 1.10
G.T. Pens. Ex. Fd. 135.9 142.6 3.80
G.T. Int'l. Fund 145.4 154.6 1.90
G.T. Four Yds. Fd. 54.9 58.4 7.30

G. & A. Trust (a)(g)
5, Rayleigh Rd., Brentwood (0277) 227300
G. & A. 31.9 34.1 -0.2 4.87

Gartmore Fund Managers (a)(g)
2, St. Mary Axe, EC3A 8BP. 01-283 3531
American Tst. 23.3 25.1 0.10
British Tst. (Acc.) 55.0 59.1 3.51
Commodity Share 145.5 156.4 3.82
Extra Income Tst. 24.2 26.0 8.05
Far East Trust 33.9 36.5 0.49
High Income Tst. 58.9 63.3 9.21
Income Fund 72.1 77.5 7.38
Ins. Agencies 13.46 14.30 3.45
Intl. Exempt Fd. 86.3 93.9 5.37
Intl. Tst. (Acc.) 29.5 31.7 0.94

Gibbs (Antony) Unit Tst. Mgs. Ltd.
3, Frederick's Pl., Old Jewry, EC2. 01-588 4111
A.G. Income 41.2 44.8 +0.7 9.30
A.G. Growth 38.2 41.2 5.70
A.G. Far East 24.6 26.7 -1.0 1.0
Dealing Tues. Wed.

Govett (John)
77, London Wall, E.C.2. 01-588 5620
Shldr. Nov. 17 136.6 143.9 +2.5 2.07
Do. Accum. Unit 164.1 173.0 +3.1 2.07
Next dealing day Dec. 1.

Grieveson Management Co. Ltd.
59 Gresham St., EC2P 2DS. 01-606 4433
Barrington Nov. 15 211.0 220.5 5.48
(Accum. Units) 231.6 242.1 5.48
Bing. H. Yd. Nov. 16 175.5 183.8 8.71
(Accum. Units) 208.7 218.6 8.71
Endeav. Nov. 14 223.5 233.6 2.97
(Accum. Units) 233.1 243.6 2.97
Grnchstr. Nov. 17 87.8 91.8 3.44
(Accum. Units) 91.1 95.3 3.44
Ln. & Brwk. Nov. 15 71.6 74.9 3.90
(Accum. Units) 75.3 78.6 3.90

Guardian Royal Ex. Unit Mgrs. Ltd.
Royal Exchange, EC3P 3DN. 01-628 8011
(ag) Guardhill Tst. 90.6 93.8 -0.3 4.59

Henderson Administration (a)(c)(g)
Premier UT Admin., 5 Rayleigh Road, Hutton, Brentwood, Essex. 0277-217238
U.K. Funds
Cabot Recovery 45.7 48.2 -0.1 6.24
Cap. Growth Inc. 44.4 47.3 -0.2 3.05
Cap. Growth Acc. 45.5 48.5 -0.2 3.05
Income & Assets 33.0 35.1 6.43
High Income Funds
High Income 61.8 65.7 -0.1 7.98
Cabot Extra Inc. 55.7 59.6 -0.1 8.97
Cabot Pref. & Gilt 48.9 51.9 +0.1 12.00
Sector Funds
Financial & ITU 25.0 26.6 3.27
Oil & Nat. Res. 26.4 28.1 -0.1 2.10
International
Cabot 86.5 92.3 -0.6 2.79
International 30.9 32.9 -0.1 1.68
Wld. Wide Nov. 17 72.2 77.2 4.71
Overseas Funds
Australian 33.4 36.1 -0.9 2.03
European 44.5 48.1 -0.1 3.25
Far East 78.2 84.3 -0.8 3.04
N. Am. 36.1 39.0 +0.4 1.31
Cabot Am. Sm. 44.5 48.1 +0.9 1.98
Exempt Funds
Japan Exempt 100.2 104.8 3.86
N. Am. Expt. Nov. 17 110.1 114.7 2.42

Hill Samuel Unit Tst. Mgrs.† (a)
45 Beech St., EC2P 2LX. 01-628 8011
(b) British Trust 147.2 157.5 -0.6 5.63

Minster Fund Managers Ltd.
Minster Hse., Arthur St., EC4.
Minster Nov. 13 37.3 39.3 3.88
Exempt Oct. 31 100.0 104.0 5.38

MLA Unit Trust Mgemnt. Ltd.
Old Queen Street, SW1H 9JG.
MLA Units 45.3 47.6 3.78

Murray Johnstone U.T. Mgmt. (a)
163 Hope Street, Glasgow, G2 2UH. 041-221 5521
MJ European 82.0 87.3 3.63
Dealing Day Friday.

Mutual Unit Trust Managers (a)(g)
15 Copthall Ave., EC2R 7BU. 01-606 4803
Mutual Sec. Plus 50.6 54.0 6.48
Mutual Inc. Tst. 68.0 73.3 7.34
Mutual Blue Chip 42.6 46.1 6.06
Mutual High Yld. 55.1 59.3 9.12

National and Commercial
31, St. Andrew Square, Edinburgh 031-556 9151
Income Nov. 15 157.2 163.8 5.80
(Accum. Units) 215.2 223.2 5.86
Capt. Nov. 15 128.4 133.2 4.08
(Accum. Units) 156.6 162.4 4.08

National Provident Inv. Mngrs. Ltd.
48, Gracechurch St., EC3P 3HH. 01-623 4200
N.P.I. Gth. Un. Tst. 45.6 48.6 5.05
(Accum. Units) 56.6 60.3 5.05
NPI O'seas Trust 132.2 139.9 2.30
(Accum. Units) 142.0 150.3 2.30
Prices on Oct. 26. Next dealing Nov. 30.
Prices on Nov. 1. Next dealing Nov. 15.

National Westminster (a)
161, Cheapside, EC2V 6EU. 01-606 6060
Capital (Accum.) 64.0 68.8 -0.5 4.45
Extra Inc. 65.1 69.9 -0.5 8.16
Financial 32.8 35.2 -0.3 5.72
Growth Inv. 84.8 91.1 -0.3 5.26
Income 33.9 36.4 -0.2 7.12
Portfolio Inv. Fd. 70.3 73.6 -0.3 5.67
Universal Fd. (d) 52.5 56.4 -0.7 2.57

NEL Trust Managers Ltd. (a)(g)
Milton Court, Dorking, Surrey. 5911
Nelstar 58.0 61.0 -0.3 5.21
Nelstar High Inc. 49.4 53.9 8.01

Norwich Union Insurance Group (b)
P.O. Box 4, Norwich, NR1 3NG. 0603 22200
Group Tst. Fd. 351.8 370.3 -1.4 5.56

Pearl Trust Managers Ltd. (a)(g)(z)
252 High Holborn, WC1V 7EB. 01-405 8441
Pearl Growth Fd. 23.4 25.2 -0.1 5.04
Accum. Units 27.8 29.9 -0.1 5.04
Pearl Inc. 32.2 34.7 7.30
Pearl Unit Tst. 35.2 37.9 -0.2 5.28
(Accum. Units) 45.5 49.0 -0.2 5.28

Pelican Units Admin. Ltd. (g)(x)
81 Fountain St., Manchester 061-236 5685
Pelican Units 83.8 90.1 -0.3 4.99

Perpetual Unit Trust Mngmt. (a)
48 Hart St., Henley on Thames 04912 6868
P'petual Gp. Gth. 39.4 42.4 4.63

Piccadilly Unit Trust (a)(b)
Antony Gibbs Unit Trust Managers Ltd.
3, Frederick's Place, Old Jewry, EC2R 8HD. 01-588 4111
Extra Income 28.3 30.8 +0.1 10.70
Small Co's Fd. 37.3 40.4 -0.2 7.50
Capital Fund 41.2 44.9 -0.2 6.60
Int. Ems. & Assets 43.7 47.5 -0.2 6.70
Private Fund 34.9 37.9 5.90
Accumltr. Fund 61.2 66.4 -0.2 6.30
Technology Fund 58.4 63.3 -0.2 6.70
Far East Fd. 25.4 27.6 1.8 2.80
American Fund 21.9 23.8 +0.4 3.10

Practical Invest. Co. Ltd. (y)(c)
44, Bloomsbury Sq. WC1A 2RA 01-623 8893
Practical Nov. 15 146.3 155.7 4.55
Accum. Units 210.9 224.4 4.55

Provincial Life Inv. Co. Ltd.
222, Bishopsgate, E.C.2. 01-247 6533
Prolific Units 90.0 96.6 -0.3 3.76
High Income 114.1 122.2 -0.3 8.10

Prudl. Portfolio Mngrs. Ltd. (a)(b)(c)
Holborn Bars, EC1N 2NH. 01-405 9222
Prudential 124.0 131.5 -0.5 4.88

Quilter Management Co. Ltd.
The Stk. Exchange, EC2N 1HP. 01-600 4177
Quadrant Gen. Fd. 100.0 104.0 4.24
Quadrant Income 129.0 133.0 8.48

Reliance Unit Mgrs. Ltd.
Reliance Hse., Tunbridge Wells, Kt. 0892 22271
Opportunity Fd. 66.9 71.5 6.00
Sekforde T. Acc. 44.5 47.6 5.74
Sekforde T. Inc. 42.4 45.4 -0.2 5.74

Ridgefield Management Ltd.
38-40, Kennedy St., Manchester 061-236 8521
Ridgefield Int. U.T. 88 96 2.96
Ridgefield Income 92 98 9.60

Rothschild Asset Management (g)
72-80, Gatehouse Rd., Aylesbury. 0296 5941
N.C. Equity Fund 163.7 174.1 -1.3 3.60
N.C. Eng. Res. Tst. 104.5 111.1 +1.0 2.64
N.C. Income Fund 143.5 152.6 -0.8 7.64
N.C. Intl. Fd. (Inc.) 81.4 86.5 -0.5 1.53
N.C. Intl. Fd. (Acc.) 82.4 87.6 -0.6 1.53
N.C. Smllr. Coys. Fd. 150.3 159.9 -0.1 4.86

Rothschild & Lowndes Mgmt. (a)
St. Swithins Lane, Ldn. EC4. 01-626 4356
New Ct. Exempt 122.0 129.0 3.89
Prices on Nov. 15. Next dealing Dec. 15.

Rowan Unit Trust Mngt. Ltd. (a)
City Gate Hse., Finsbury Sq., EC2. 01-606 1066
American Nov. 16 60.5 63.5 1.77
Securities Nov. 14 168.0 178.0 4.15
High Yld. Nov. 17 52.7 55.4 8.74
(Accum. Units) 77.0 80.9 8.74
Merlin Nov. 15 78.5 82.6 4.39
(Accum. Units) 97.0 101.9 4.39

Royal Tst. Can. Fd. Mgrs. Ltd.
54, Jermyn Street, S.W.1. 01-629 8252
Capital Fd. 66.7 70.4 3.75
Income Fd. 68.5 72.3 7.78
Prices at Nov. 15. Next dealing Nov. 30.

Save & Prosper Group
4, Great St. Helens, London EC3P 3EP
68-73 Queen St., Edinburgh EH2 4NX
Dealings to 01-554 8899 or 031-226 7351

Save & Prosper Securities Ltd.
International Funds
Capital 35.5 38.1 -0.3 2.51
I.T.U. 24.0 25.8 4.12
Univ. Growth 66.3 71.2 -0.6 1.98
Increasing Income Fund
High-Yield 51.9 55.8 -0.3 7.76
High Income Funds
High Return 65.7 70.6 -0.2 8.63
Income 42.0 45.1 -0.3 9.68
U.K. Funds
UK Equit. 42.8 46.0 -0.2 5.40
Overseas Funds (z)
Europe 88.0 94.6 -1.2 3.29
Japan 105.3 113.2 -1.7 1.45
S.E. Asia 35.3 37.9 -1.5 1.99
U.S. 66.7 71.7 +0.7 0.63
Sector Funds
Commodity 72.1 77.5 0.6 4.46
Energy 66.6 71.6 -0.6 3.84
Financial Secs. 67.9 73.0 -0.3 3.51
High-Minimum Funds
Select Internat. 241.4 254.7 1.9 3.02
Select Income 51.6 54.4 -0.3 8.03

Save & Prosper continued
Scotbits Securities Ltd.
Scotbits 36.3 39.0 5.13
Scotyield 49.5 53.3 -0.2 7.66
Scotshares 57.6 62.2 4.64
Scot. Ex. Gth. 241.8 253.2 2.31
Scot. Ex. Yld. 171.1 179.2 7.45

Schlesinger Trust Mngrs. Ltd. (a)(z)
140, South Street, Dorking. (0306) 86441
Am. Exempt 21.3 22.4 -0.1 3.92
Am. Growth 26.3 28.6 -0.2 2.69
Am. Smaller Co's 25.0 26.3 -1.7 0.48
Exempt High Yld. 25.7 27.3 8.14
Exempt Mkt. Ldrs. 25.6 26.9 -0.1 4.50
Extra Inc. Tst. 28.7 31.2 -0.1 9.73
Income Dist. 39.5 42.4 -0.1 9.07
Inc. 10% Wdrwl. 29.4 32.0 -1.7
Intl. Growth 45.9 49.4 -0.2 3.52
Inv. Tst. Units 25.1 27.0 -0.1 5.09
Market Leaders 27.2 29.5 -0.1 5.05
Nil Yield 27.5 29.6 ...
Pref. & Gilt Trust 23.2 25.0 12.34
Property Shares 26.0 28.0 -0.2 2.34
Special Sit. Tst. 31.0 33.3 -0.1 2.23
U.K. Grth. Accum. 21.7 23.3 6.30
U.K. Grth. Dist. 18.7 20.1 6.30

J. Henry Schroder Wagg & Co. Ltd.
120, Cheapside, E.C.2. 01-588 4000
Capital Nov. 14 101.2 104.8 2.57
(Accum.) 123.6 128.0 2.57
Income Nov. 14 192.6 199.5 7.78
(Accum. Units) 286.1 296.6 7.78
General Nov. 15 85.8 89.3 4.00
(Accum. Units) 107.1 111.5 4.00
Europe Nov. 16 32.6 34.3 3.0
(Accum. Units) 36.3 38.6 3.00
Pn. & Chari. Fd. Oct. 24 176.6 182.0 4.23
Spec. Ex. Nov. 7 250.9 258.6 3.90
Recovery Nov. 7 197.3 203.4 4.72
For tax exempt funds only

Scottish Equitable Fnd. Mgrs. Ltd.
28 St. Andrews Sq., Edinburgh 031-556 9101
Income Units 49.7 52.9 5.33
Accum. Units 57.9 61.6 5.33
Dealing day Wednesday.

Sebag Unit Tst. Managers Ltd. (a)
PO Box 511, Bcklbry. Hse., E.C.4. 01-236 5000
Sebag Capital Fd. 33.5 35.1 4.06
Sebag Income Fd. 30.5 31.9 8.56

Security Selection Ltd.
15-19, Lincoln's Inn Fields, WC2. 01-831 6936-9
Unvl. Gth. Tst. Acc. 23.3 24.8 2.39
Unvl. Gth. Tst. Inc. 20.3 21.6 2.39

Stewart Unit Tst. Managers Ltd. (a)
45 Charlotte Sq., Edinburgh. 031-226 3271
Stewart American Fund
Standard Units 55.6 59.3 +0.3 1.50
Accum. Units 60.4 64.6 +0.3
Withdrawal Units 44.5 47.6 -0.2
Stewart British Capital Fund
Standard 136.2 148.0 4.20
Accum. Units 158.5 173.0 4.20
Dealing Tues. & Fri. Wed.

Sun Alliance Fund Mngt. Ltd.
Sun Alliance Hse., Horsham 0403 64141
Exp. Eq. Tst. Nov. 8 213.9 226.3 4.45
The Family Fd. 94.0 99.9 -0.6 4.03

Target Tst. Mngrs. Ltd. (a)(g)
31 Gresham St., EC2. Dealings: 0296 5941
Target Commodity 34.6 37.2 -0.5 4.09
Target Financial 57.6 62.5 -0.1 4.84
Target Equity 36.8 39.6 +0.3 6.26
Target Ex. Nov. 20 199.0 209.5 7.21
Do. Acc. Units 276.7 291.3 7.21
Target Gilt Fund 117.1 124.4 -0.3 3.00
Target Growth 27.6 29.7 -0.1 5.12
Target Pacific Fd. 24.0 25.8 -1.1 2.17
Do. Reinv. Units 26.8 28.8 -1.2 2.17
Target Inv. 31.1 33.4 3.50
Tgt. Pr. Nov. 15 154.3 162.4 4.80
Tgt. Inc. 28.0 30.1 -0.1 8.75
Tgt. Pref. 13.3 14.7 12.30
Tgt. Special Sits. 19.6 21.1 5.43

Target Tst. Mgrs. (Scotland) (a)(b)
19, Athol Crescent, Edin. 3. 031-229 8621
Target Amer. Eagle 23.3 25.1 +0.2 1.80
Target Thistle 39.8 42.8 6.17
Extra Income Fd. 59.1 63.6 10.10

Trades Union Unit Tst. Managers
100, Wood Street, E.C.2.
TUUT Nov. 2 49.3 52.5 5.48

Transatlantic and Gen. Secs. Co.
91-99 New London Rd., Chelmsford 0245 51651
Barbican Nov. 16 74.3 78.6 5.92
(Accum. Units) 114.8 121.9 5.92
Barb. E. pt. Oct. 25 90.7 93.4 4.04
Buckm. Nov. 16 80.1 83.4 5.21
(Accum. Units) 99.1 105.2 5.21
Colmo. Nov. 17 124.0 130.6 6.20
(Accum. Units) 153.0 161.1 6.20
Cumld. Nov. 15 51.7 54.2 7.56
(Accum. Units) 57.9 60.8 7.56
Glen. Nov. 14 51.6 55.0 5.17
(Accum. Units) 67.2 71.7 5.17
Marlboro Nov. 14 50.0 52.2 3.61
(Accum. Units) 57.6 60.1 3.61
Van. Gwth. Nov. 14 49.1 51.7 3.83
(Accum. Units) 61.0 64.3 3.83
Van. Hy. Nov. 14 70.0 74.5 8.47
Vang. Tec. Nov. 15 44.4 46.7 6.74
(Accum. Units) 46.3 48.8 6.74
Wickr. Nov. 16 60.8 64.0 5.15
(Accum. Units) 73.2 77.3 5.15
Wick. Div. Nov. 17 65.7 70.1 8.56
Do. Accum. 77.1 82.2 8.56

Tyndall Managers Ltd.
18, Canynge Road, Bristol 0272 32241
Income Nov. 15 99.0 104.0 8.64
(Accum. Units) 183.2 192.4 8.64
Capital Nov. 15 125.6 132.0 4.77
(Accum. Units) 177.8 186.8 4.77
Exempt Nov. 15 108.6 114.2 8.36
(Accum. Units) 156.2 164.2 8.36
Int. Earn. Nov. 15 243.4 255.8 5.36
(Accum. Units) 276.4 290.4 5.36
Pref. Nov. 15 105.6 112.0 12.86
(Accum. Units) 133.4 141.6 12.86
24, Castle St., Edinburgh 031-225 1168
Scot. Inc. Nov. 15 164.8 173.2 0.47
Scot. Cap. Nov. 15 137.0 144.0 5.55
(Accum. Units) 166.0 174.8 5.55
London Wall Group 0272 32241
Capital Growth 79.6 85.1 +0.2 6.50
Do. Accum. 83.2 89.0 -0.1 6.50
Extra Inc. Growth 38.0 40.8 -0.2 10.37
Do. Accum. 45.9 49.3 -0.2 10.37
Financial Prity. 15.6 16.6 5.24
Do. Accum. 19.3 20.6 5.24
High Inc. Priority 61.4 66.0 -0.9 8.80
International 27.0 28.8 -3.1 2.92
Special Sits. 33.3 35.6 -0.3 5.51

TSB Unit Trusts (y)
21, Chantry Way, Andover, Hants. 0264 62188
Dealings to 0264 63432-3
(b) TSB General 44.5 47.7 4.16
(b) Do. Accum. 57.3 61.3 4.16
(b) TSB Income 59.3 63.1 7.43
(b) Do. Accum. 63.5 67.6 -0.3 7.43
TSB Scottish 80.2 85.4 -0.4 2.24
(b) Do. Accum. 86.9 92.5 -0.4 2.24

Ulster Bank (a)
Waring Street, Belfast 0232 35231
(b) Ulster Growth 36.4 39.1 5.44

Unit Trust Account & Mgmt. Ltd.
King William St. EC4R 9AR 01-623 4951
Friars Hse. Fund 138.7 140.8 -0.2 4.73
Wieler Grth. Fnd. 29.8 31.4 4.86
Do. Accum. 35.0 36.9 4.86

Wieler Growth Fund
King William St. EC4R 9AR 01-623 4951
Income Units 29.8 31.4 4.84
Accum. Units 35.0 36.9 4.84

Craigmount Unit Tst. Mgrs. Ltd.
9-10 Foster Lane, EC2V 6HH.
High Income 45.9 50.7 +0.1 10.00
North American 46.7 50.2 +0.1
MidMount H. Chlen. 48.7 50.7 9.00

Crescent Unit Tst. Mgrs. Ltd. (a)(g)
4 Melville Cres., Edinburgh 3. 031-226 4931
Cres. Amer. Fd. 22.9 23.5 +0.1 1.76
Cres. Internat'l. 55.9 59.9 -0.4 1.00
Cres. High Dist. 43.5 46.7 -0.3 9.23
Cres. Reserves 38.6 41.4 -0.2 5.13
Cres. Tokyo 25.0 26.9 -0.7 1.94

Discretionary Unit Fund Managers
22 Blomfield St., EC2M 7AL. 01-638 4485
Disfnc. Nov. 10 170.6 182.0 5.46

E. F. Winchester Fund Mngt. Ltd.
Old Jewry, EC2. 01-606 2167
Great Winchester 18.0 19.6 4.94
Gt. Winch'er. O'seas 17.6 19.0 4.53

Emson & Dudley Tst. Mngmnt. Ltd.
20, Arlington St., S.W.1. 01-499 7551
Emson Dudley Tst. 71.1 76.4 3.81

For Equitas Securities Ltd. see Abbey Unit Trust Mngrs.

Equity & Law Un. Tr. M. (a)(b)(c)(z)
Amersham Rd., High Wycombe 0494 33377
Equity & Law 64.6 68.0 -0.1 4.57

James Finlay Unit Trust Mngt. Ltd.
10-14, West Nile Street, Glasgow 041-204 1321
J. Finlay Internat'l. 21.2 22.8 2.72
Accum. Units 25.1 27.0 2.72
J. Finlay Income 34.4 37.0 8.65
J. Finlay Euro. Fin. 27.2 29.2 2.60
Accum. Units 32.2 34.6 2.60
J. Finlay Fd. In. Tst. 28.2 30.3 4.45
Accum. Units 32.4 34.8 4.45
Prices Nov. 15. Next dealing Nov. 22.

ManuLife Management Ltd.
St. George's Way, Stevenage. 0438 56101
Growth Units 54.1 56.9 4.47

Mayflower Management Co. Ltd.
14-18 Gresham St., EC2V 7AU. 01-606 8099
Income Nov. 7 104.3 109.7 8.99
General Nov. 7 68.7 72.9 5.80
Internatl. Nov. 7 43.6 45.9 3.00

Mercury Fund Managers Ltd.
30, Gresham St., EC2P 2EB.
Merc. Gen. Nov. 15 197.3 209.8 4.48
Acc. Uts. Nov. 15 260.3 276.9 4.48
Merc. Int. Nov. 15 66.3 70.5 2.98
Acc. Uts. Nov. 15 71.4 76.0 2.98
Merc. Ext. Oct. 26 243.7 253.9 4.46
Accm. Uts. Sept. 26 295.4 307.7 4.46

Midland Bank Group Unit Trust Managers Ltd. (a)
Courtwood House, Silver Street, Head, Sheffield S1 3RD. Tel. 0742 79842
Commodity & Gen. 62.0 67.9 -0.7 5.73
Do. Accum. 73.1 80.1 -0.7 5.73
Growth 35.5 38.2 -0.4 3.39
Do. Accum. 38.1 41.0 -0.4 3.39
Capital 25.6 27.6 -0.2 4.08
Do. Accum. 28.0 30.1 -0.2 4.08
Income 50.6 54.5 -0.3 6.97
Do. Accum. 59.0 62.6 -0.3 6.97
International 42.0 45.4 -0.5 3.37
Do. Accum. 44.8 48.3 -0.5 3.37
High Yield 61.0 65.7 -0.2 8.60
Do. Accum. 66.6 71.7 -0.2 8.60
Equity Exempt 102.5 108.2 6.07
Do. Accum. 102.5 108.2 6.07
Japan & Pacific 47.0 50.0 1.00
Do. Accum. 47.0 50.0 1.00
Prices at Oct. 31. Next dealing Nov. 30.

CORAL INDEX: Close 466-471

INSURANCE BASE RATES
†Property Growth 10¼%
†Vanbrugh Guaranteed 10.87%
†Address shown under Insurance and Property Bond Table.

INSURANCE AND PROPERTY BONDS

Abbey Life Assurance Co. Ltd.
1-3 St. Paul's Churchyard, EC4. 01-248 9111
Equity Fund 35.7 37.6 —
Equity Acc. 30.7 32.4 —
Property Fd. 151.2 159.2 —
Property Acc. 161.5 170.1 —
Selective Fund 90.6 95.4 —
Convertible Fund 133.9 141.0 —
Money Fund 124.3 130.9 —
Prop. Fd. Ser. 4 132.4 139.4 —
Man. Fd. Ser. 4 133.8 140.9 —
Equity Fd. Ser. 4 34.4 36.3 —
Conv. Fd. Ser. 4 114.3 120.4 —
Money Fd. Ser. 4 121.1 128.1 —
Prices at Nov. 14. Valuation normally Tues.

Albany Life Assurance Co. Ltd.
31, Old Burlington St., W.1. 01-437 5962
Equity Fd. Acc. 191.8 201.9 —
Fixed Int. Acc. 140.1 147.5 —
Gtd. Money Fd. Ac. 116.5 122.6 —
Intl. Man. Fd. Acm. 107.4 113.0 —
Prop. Fd. Acc. 112.9 118.7 —
M'ple. Inv. Acc. 167.5 176.3 —
Equity Pen. Fd. Acc. 228.5 240.5 —
Fixed I. Pen. Acc. 178.8 188.3 —
Gtd. Mon. Pen. Acc. 133.3 140.3 —
Intl. Mn. Pn. Fd. Acc. 114.2 120.1 —
Prop. Pen. Acc. 129.5 136.2 —
M'ple. Inv. Pen. Acc. 207.0 217.9 —

AMEV Life Assurance Ltd.
Alma Hse., Alma Rd., Reigate. Reigate 40101.
AMEV Managed 140.9 148.5 —
AMEV Mgd. 'B' 119.4 125.8 —
AMEV Money Fd. 106.9 112.6 —
AMEV Equity Fd. 110.6 116.5 —
AMEV Fixed Int. 90.7 95.6 —
AMEV Prop. Fd. 99.2 104.5 —
AMEV Mgd. Pen. Fd. 110.5 116.4 —
AMEV Mgd. Pen. 'B' 110.6 116.5 —
Flexiplan 98.3 103.6 —
AMEV/Framlington
American 71.8 75.7 —
Income 91.7 96.6 —
Int. Growth 83.1 87.6 —

For Arrow Life Assurance see Providence Capital Life Assurance

Barclays Life Assur. Co. Ltd.
252 Romford Rd., E.7. 01-534 5544
Barclaybonds 125.0 131.6 —
Equity 116.5 122.7 -0.3 —
Gilt-edged 107.9 113.6 -0.4 —
Property 110.6 116.5 +0.1 —
International 87.0 91.6 -0.4 —
Managed 108.8 114.6 -0.2 —
Money 100.7 106.1 —
Man. Pens. Accum. 100.1 105.4 —
Do. Initial 96.5 101.6 —
Gilt Edg. Pens. Acc. 95.8 100.9 —
Do. Initial 92.4 97.3 —
Money Pens. Acc. 103.4 108.9 —
Do. Initial 99.0 104.3 —
Current units value Nov. 21.

Beehive Life Assur. Co. Ltd.
71, Lombard St., EC3. 01-623 1288
Blk. Horse Nov. 1 132.08 —

Crown Life Assurance Co. Ltd.
Crown Life Hse., Woking, GU21 1XW 04862 5033
Mang'd. Fund Acc. 102.7 108.1 -0.3 —
Mang'd. Fd. Incm. 100.7 105.9 -0.3 8.17
Mang'd. Fd. Init. 100.9 106.2 -0.3 —
Equity Fd. Acc. 94.1 99.4 -0.5 —
Equity Fd. Incm. 92.5 97.3 +0.1 6.69
Equity Fd. Init. 93.0 97.8 +0.1 —
Property Fd. Acc. 96.0 101.0 —
Property Fd. Incm. 96.0 101.0 9.75
Property Fd. Init. 94.6 99.5 —
Inv. Tst. Fd. Acc. 97.8 102.9 -0.5 —
Inv. Tst. Fd. Incm. 95.2 100.2 -0.4 7.30
Inv. Tst. Fd. Init. 96.3 101.3 -0.4 —
Fixed Int. Fd. Acc. 100.0 105.2 -0.1 —
Fxd. Int. Fd. Incm. 98.8 104.0 -0.1 11.86
Inter'l. Fd. Acc. 108.7 114.4 -0.3 —
Inter'l. Fd. Incm. 108.7 114.4 -0.3 6.01
Money Fd. Acc. 97.8 102.9 -0.1 —
Money Fd. Incm. 95.4 100.4 10.00
Dist. Fd. Incm. 101.3 106.6 -0.2 9.33
Crown Brt. Inv. 'A' 159.2 —

Crusader Insurance Co. Ltd.
Vincula House, Tower Pl., EC3. 01-626 8031
Gth. Prop. Nov. 7 73.9 83.8 —

Eagle Star Insur/Midland Assur.
1, Threadneedle St., EC2. 01-588 1212
Eagle Mid. Units 52.9 54.9 6.21

Equity & Law Life Ass. Soc. Ltd.
Amersham Road, High Wycombe 0494 33377
Equity Fd. 112.3 118.2 -0.2 —
Property Fd. 112.5 118.4 —
Fixed Interest F. 107.5 113.1 -0.4 —
Gtd. Deposit Fd. 101.0 106.3 —
Mixed Fd. 111.9 117.7 -0.2 —

General Portfolio Life Ins. C. Ltd.
60 Bartholomew Cl., Waltham Cross WX31971
Portfolio Fund 141.9 —
Portfolio Managed 42.4 44.6 —
P'folio. Fxd. Int. 47.5 50.0 —

Gresham Life Ass. Soc. Ltd.
2 Prince of Wales Rd., B'mouth. 0202 767655
G.L. Cash Fund 98.7 103.9 —
G.L. Equity Fund 206.3 217.2 —
G.L. Gilt Fund 111.6 117.5 —
G.L. Intl. Fund 105.2 110.7 —
G.L. Ppty. Fund 100.3 105.6 —

Growth & Sec. Life Ass. Soc. Ltd.
Weir Bank, Bray-on-Thames, Berks. 0628-34284
Flexible Finance £1,506 —
Landbank Secs. 56.11 —
Landbank Sec. Acc. 116.7 119.8 —
G & S Super Fd. £7.903 —

Guardian Royal Exchange
Royal Exchange, E.C.3. 01-283 7107
Property Bonds 189.8 197.7 —

Hambro Life Assurance Limited
7 Old Park Lane, London, W1 01-499 0031
Fixed Int. Dep. 127.6 134.4 —
Equity 181.0 190.6 —
Property 170.5 179.5 —
Managed Cap. 143.4 151.0 —
Managed Acc. 177.9 187.3 —
Overseas 123.1 129.6 —
Gilt Edged 126.1 132.8 —
American Acc. 86.7 91.3 —
Pen. F.I. Dep. Cap. 130.1 137.0 —

Lloyds Life Assurance
20, Clifton St., EC2A 4MX
Mlt. Gt. Nov. 6 1.36841 —
Op. 5 'A' Pr. Nov. 16 144.4 152.0 —
Op. 5 'A' Eq. Nov. 16 135.4 142.6 —
Op. 5 'A' Bt. Nov. 16 155.0 163.2 —
Op. 5 'A' Man. Nov. 16 154.0 162.2 —
Op. 5 'A' Dpt. Nov. 16 123.6 130.1 —

London Indemnity & Gnl. Ins. Co. Ltd.
18-20, The Forbury, Reading 583511
Money Manager 32.5 35.0 -0.1 —
M.M. Flexible 29.0 30.7 -0.1 —
Fixed Interest 34.2 35.1 —

The London & Manchester Ass. Gp.
Winslade Park, Exeter 0392-52155
Cap. Growth Fund 233.7 —
Flex. Exempt Fd. 137.9 —
Exempt Prop. Fd. 96.2 —
Expt. Inv. Tst. Fd. 153.1 —
Flexible Fund 113.2 —
Inv. Trust Fund 133.5 —
Property Fund 86.0 —
Gtd. Deposit Fd. 101.4 —

M & G Group
Three Quays, Tower Hill EC3R 6BQ 01-626 4588
American Fd. Bd. 45.9 48.3 —
Conv. Deposit 120.3 126.5 —
Equity Bond 135.1 142.0 —
Ex. Yield Fd. Bd. 85.3 89.8 —
Family 79-80 165.8 —
Family 81-86 190.0 —
Gilt Bond 106.9 112.4 —
Internatnl. Bond 98.0 103.0 —
Japan Fd. Bd. 59.6 62.7 —
Managed Bd. 136.7 143.7 —
Pers. Pension 235.8 —
Property Bd. 165.8 174.2 —
Recovery Fd. Bd. 67.4 70.9 —
Prices on Nov. 15. Nov. 16. Oct. 17.

Merchant Investors Assurance
Leon Hse., 233 High St., Croydon 01-686 9171
Property 159.9 —
Property Pens. 169.6 —
Equity 58.0 —
Equity Pens. 166.9 —
Money Market 143.6 —
Money Mkt. Pens. 167.1 —
Deposit 131.5 —
Deposit Pens. 145.3 —
Managed 106.3 —
Managed Pens. 130.1 —
Intl. Equity 94.8 —
Do. Pens. 100.0 —
Intl. Managed 97.0 —
Do. Pens. 100.0 —

NEL Pensions Ltd.
Milton Court, Dorking, Surrey. 5911
Nelex Eq. Cap. 84.5 89.0 —
Nelex Eq. Accum. 115.6 121.5 +0.2 —
Nelex Money Cap. 61.8 65.0 —
Nelex Mon. Acc. 66.8 70.3 —
Nelex Gth. Inc. Cap. 51.2 53.9 —
Nelex Gth. Inc. Acc. 53.1 55.9 —
Nel. Mxd. Fd. Cap. 49.4 51.9 —
Nel. Mxd. Fd. Acc. 50.8 53.4 —
Next Sub. day November 25.

NPI Pensions Management Ltd.
48, Gracechurch St., EC3P 3HH 01-623 4200
Managed Fund 155.3 161.8 —
Prices Nov. 1. Next dealing Dec. 1.

Royal Insurance Group
New Hall Place, Liverpool 051 227 4422
Royal Shield Fd. 143.4 151.7 —

Save & Prosper Group
4, Gt. St. Helen's, Lndn., EC3P 3EP 01-554 8899
Bal. Inv. Fd. 129.8 137.4 -0.1 —
Property Fd. 160.4 169.8 —
Gilt Fd. 122.6 129.1 0.4 —
Deposit Fnd. 125.9 132.6 —
Comp. Pens. Fd. 207.0 217.9 —
Equity Pens. Fd. 181.8 191.9 -1.2 —
Prop. Pens. Fd. 232.8 245.2 —
Gilt Pens. Fd. 94.5 99.5 -0.2 —
Depos. Pens. Fd. 102.0 107.4 —
Prices on November 7. Weekly dealings.

Schroder Life Group
Enterprise House, Portsmouth 0705 27733
Equity 1 236.6 —
Equity 4 222.0 233.8 —
Fixed Int. 4 136.9 144.2 —
Managed 4 134.0 141.2 —
Money 4 109.6 115.5 —
Overseas 4 88.7 93.5 —
Property 4 162.1 170.7 —
K & S Govt. Secs. 4 121.8 128.3 —
B.S. Pen. Cap. B 124.3 130.9 —
B.S. Pen. Acc. B 136.8 143.7 —
Mngd. Pen. Cap. B 208.8 219.8 —
Mngd. Pen. Acc. B 251.4 264.7 —
F. Int. Pen. Cap. B 95.2 100.2 —
F. Int. Pen. Acc. B 97.0 102.2 —
Money Pen. Cap. B 97.2 102.5 —
Money Pen. Acc. B 99.1 104.4 —
Prop. Pen. Cap. B 107.0 112.7 —
Prop. Pen. Acc. B 108.9 114.8 —

Scottish Widows' Group
PO Box 902, Edinburgh EH16 5BU 031-655 6000
Inv. Ply. Series 1 104.9 109.9 —
Inv. Ply. Series 2 98.9 104.2 —
Invst. Cash Nov. 17 100.0 105.3 —
Ex. Ut. Acc. Nov. 16 138.5 144.8 —
Ex. Ut. Inc. Nov. 16 131.1 136.7 —
Mgd. Pen. Nov. 15 267.2 267.2 —

Solar Life Assurance Limited
10-12 Ely Place, London EC1N 6TT 01-242 2905
Solar Managed S 125.5 132.2 -0.4 —
Solar Property S 109.0 114.8 —
Solar Equity S 163.7 172.4 -0.9 —
Solar Fxd. Int. S 114.6 120.7 -0.7 —
Solar Cash S 102.6 108.0 —
Solar Intl. S 86.6 92.0 +0.5 —
Solar Managed P 125.1 131.7 -0.4 —
Solar Property P 108.6 114.4 —
Solar Equity P 163.1 171.7 -0.9 —
Solar Fxd. Int. P 116.1 122.2 -0.7 —
Solar Cash P 102.0 108.4 —
Solar Intl. P 86.5 91.9 +0.5 —

Sun Alliance Fund Mangmt. Ltd.
Sun Alliance House, Horsham 0403 64141
Exp. Fd. Int. Nov. 8 £149.2 159.6 —
Int. Bn. Nov. 14 £12.22 —

Sun Alliance Linked Life Ins. Ltd.
Sun Alliance House, Horsham 0403 64141
Equity Fund 124.0 130.6 -0.8 —
Fixed Interest Fd. 104.9 110.5 -0.4 —
Property Fund 116.2 122.4 —
International Fd. 94.8 99.8 -2.2 —
Deposit Fund 98.7 103.9 —
Managed Fund 108.7 114.5 -0.7 —

City of Westminster Assur. Co. Ltd.
Ringstead House, 6 Whitehorse Road, Croydon CR0 2JA 01-684 9664.
West Prop. Fund 62.1 65.3 —
Managed Fund 182.4 192.0 —
Equity Fund 60.2 63.3 -0.3 —
Farmland Fund 81.1 85.3 —
Money Fund 125.8 132.4 —
Gilt Fund 61.5 64.7 -0.2 —
PULA Fund 173.3 176.7 —
Pens. Mngd. Cap. 121.0 127.3 —
Pens. Mngd. Acc. 126.9 133.5 —
Pens. Money Cap. 47.8 50.3 —
Pens. Money Acc. 50.1 52.7 —
Pens. Equity Cap. 53.4 56.2 -0.3 —
Pens. Equity Acc. 56.0 58.9 -0.3 —
Fund currently closed to new investment.
Perform Units 219.5 —

City of Westminster Assur. Soc. Ltd.
Telephone 01-684 9664
First Units 129.2 135.6 —
Property Units 54.7 57.4 —

Commercial Union Group
St. Helen's, 1, Undershaft, EC3. 01-283 7500
Vr. An. Ac. Nov. 18 57.24 —
Do. Annuity Uts. 18.33 —

Confederation Life Insurance Co.
50, Chancery Lane, WC2A 1HE. 01-242 0282
Equity Fund 168.6 177.0 —
Managed Fund 185.3 195.0 —
PIP Fund 410.3 —
Persnl. Pen. Mngd. 78.4 82.3 —
Staffed Mngd. Pn. 78.4 82.3 —
Group Mngd. Pen. 197.8 201.2 —
Fixed Int. Pen. 206.0 207.0 —
Equity Pension 250.6 256.8 —
Property Pension 150.1 153.9 —

Cornhill Insurance Co. Ltd.
32, Cornhill, E.C.3. 01-626 5410
Cap. Feb. Nov. 18 122 —
GS Spec. Nov. 15 51.0 —
Mn. Gth. Fd. Oct. 20 179.5 189.0 —

Credit & Commerce Insurance
120, Regent St., London W1R 5FE. 01-439 7081
C&C Mngd. Fd. 122.5 132.8 —

OFFSHORE AND OVERSEAS FUNDS

Alexander Fund
37, rue Notre-Dame, Luxembourg
Alexander Fund $US6.95 —
Net asset value Nov. 15.

Allen Harvey & Ross Inv. Mgt. (C.I.)
1, Charing Cross, St. Helier, Jsy. C.I. 0534-73741
AHR Gilt Edg. Fd. £10.12 10.15 11.96

Arbuthnot Securities (C.I.) Limited
P.O. Box 284, St. Helier, Jersey. 0534 72177
Cap. Tst. (Jersey) 115.0 119.0 4.20
Next dealing date November 21.
Govt. Secs. Tst. 99 101 12.00
Next dealing date November 27.
East & Intl. Tst. (CI) 106 111 3.35
Next dealing date November 23.

Australian Selection Fund NV
Market Opportunities, c/o Irish Young & Outhwaite, 127, Kent St., Sydney.
US$1 Shares $US1.49 —
Net asset value November 17.

Bank of America International S.A.
35 Boulevard Royal, Luxembourg G.D.
Wldinvest Income $US116.96 116.46 7.63
Prices at Nov. 16. Next sub. date Nov. 22.

Banque Bruxelles Lambert
2, Rue De la Regence B 1000 Brussels
Renta Fund LF 1,883 1,941 +11 7.98

Barclays Unicorn Int. (Ch. Is.) Ltd.
1, Charing Cross, St. Helier, Jsy. 0534 73741
Overseas Income 46.6 49.0 12.1
Unidollar Trust $US8.91 10.70 8.50
Unibond Trust $US10.37 11.08 1.90

Barclays Unicorn Int. (I. O. Man) Ltd.
1, Thomas St., Douglas, I.o.M. 0624 4856
Unicorn Aust. Ext. 48.3 52.0 1.70
Do. Aust. Min. 30.0 32.3 1.90
Do. Grtr. Pacific 66.5 71.6
Do. Intl. Income 36.8 39.6 8.80
Do. I. of Man Tst. 44.5 47.9 9.20
Do. Manx Mutual 25.2 27.2 1.50

Bishopsgate Commodity Ser. Ltd.
P.O. Box 42, Douglas, I.o.M. 0624-23911
ARMAC Oct. 2 $US28.32 30.12 —
CANRHO Nov. 6 £1.175 1.246 —
COUNT Nov. 6 £2.692 2.855 1.84
Originally issued at $10 and £1.00.

Bridge Management Ltd.
P.O. Box 508, Grand Cayman, Cayman Is.
N'bashi Nov. 1 ¥17,954 —
G.P.O. Box 590, Hong Kong
Nippon Fd. Nov. 15 $US22.08 23.40 0.75

Britannia Tst. Mngmt. (CI) Ltd.
30 Bath St., St. Helier, Jersey. 0534 73114
Sterling Denominated Fds.
Growth Invest. 35.6 38.5 -0.7 2.00
Intnl. Fd. 79.5 85.9 1.00
Jersey Energy Tst. 118.1 127.7 3.50
Univsl. $ Tst. Stg. £1.97 2.07 1.00
High Int. Stlg. Tst. £0.96 0.99 12.20
U.S. Dollar Denominated Fds.
Univsl. $ Tst. $US4.99 5.25
Int. High Int. Tst. $US0.97 1.00 9.00
Value Nov. 17. Next dealing Nov. 27.

Brown Shipley Tst. Co. (Jersey) Ltd.
P.O. Box 583, St. Helier, Jersey. 0534 74777
Sterling Bond Fd. £9.93 9.97 -0.04 12.00

Butterfield Management Co. Ltd.
P.O. Box 195, Hamilton, Bermuda
Buttress Equity $US2.16 2.24 1.75
Buttress Income $US1.99 2.05 7.87
Prices at Nov. 6. Next sub. day Nov. 11.

For Capdirex SA see under Keyser Ullman Ltd.

Capital International S.A.
37 rue Notre-Dame, Luxembourg
Capital Int. Fund $US17.29 -0.19 —

For Central Assets Mngt. Ltd. see under Keyser Ullman Ltd.

Charterhouse Japhet
1, Paternoster Row, EC4. 01-248 3999
Adiropa DM38.60 32.30 4.76
Adiverba DM49.80 32.60 -0.10 4.43
Fondak DM32.00 33.60 -0.10 4.96
Fondis DM21.10 22.30 -0.10 5.20
Emperor Fund $3.20 3.30 —
Hispano $US42.40 44.70 2.72

Keyser Ullmann Ltd.
25, Milk Street, EC2V 8JE. 01-606 7070
Fonselex F1,445 1,585 -5 2.88
Bondselex F118.15 124.70 —
Cent. Assets Cap. £137.83 137.87 —
Keyselex Japan £12.02 —

King & Shaxson Mgrs.
1, Charing Cross, St. Helier, Jersey. 0534 73741
Valley Hse., St. Peter Port, Grnsy. (0481) 24706
1 Thomas Street, Douglas, I.O.M. (0624) 4856
Gilt Fund (Jersey) 8.90 8.95 12.25
Gilt Trust (I.o.M.) 100.5 103.3 12.25
Gilt Fnd. Guernsey 9.35 9.39 12.25
Intl. Govt. Secs. Tst.
First Sterling £18.34 18.45 —
First Intl. $193.33 193.94 —

Kleinwort Benson Limited
20, Fenchurch St., EC3. 01-623 8000
Eurinvest Lux. F. 1,114 3.14
Guernsey Inc. 65.7 69.9 4.35
Do. Accum. 82.4 87.6 4.35
KB Far East Fd. $US13.24 1.45
KB Intl. Fund $US11.01 2.09
KB Japan Fund $US39.09 -2.17 0.64
K.B. U.S. Gwth. Fd. $US11.88 0.78
Signet Bermuda $US4.84 1.86
Intervest Bd. Fd. $US100 —

Lloyds Bk. (C.I.) U/T Mgrs.
P.O. Box 195, St. Helier, Jersey. 0534 27561
Lloyds Tst. O'seas 52.8 55.6 1.43
Next dealing date December 15.

Lloyds Bank International Geneva
P.O. Box 438, 1211 Geneva 11 (Switzerland)
Lloyds Int. Growth SF274.0 293.00 1.90
Lloyds Int. Income SF300.50 312.50 5.10

Management International Ltd.
Bank of Bermuda Building, Bermuda
Canterbury Oct. 27 $US1.05 —

M & G Group
Three Quays, Tower Hill EC3R 6BQ 01-626 4588
Atlantic Nov. 14 $US2.78 3.05 —
Aust. Ex. Nov. 15 $US2.45 2.34 —
Gold Ex. Acc. Nov. 15 $US9.15 10.28 —
Island 126.9 136.4 -0.2 4.05
(Accum. Units) 182.8 196.6 -0.2 4.05

Samuel Montagu Ldn. Agts.
114, Old Broad St., E.C.2. 01-588 6464
Apollo Fd. Nov. 15 SF42.00 45.60 4.11
Japfest Nov. 15 $US13.46 14.72 0.86
117 Group Nov. 15 $US10.31 11.00 2.14
117 Jersey Nov. 15 £5.34 5.82 0.72
117 Jsy. O's. Oct. 25 £9.65 10.15 —

Murray, Johnstone (Inv. Adviser)
163, Hope St., Glasgow, C2. 041-221 5521
Hope St. Fd. $US40.45 —
Murray Fund $US10.44 —
NAV November 15.

Negit S.A.
10a Boulevard Royal, Luxembourg
NAV Nov. 17 $US12.41 -0.09 —

Negit Ltd.
Bank of Bermuda Bldgs., Hamilton, Brmda.
NAV Nov. 10 £6.47 — -0.01 —

Phoenix International
PO Box 77, St. Peter Port, Guernsey.
Inter-Dollar Fund $2.28 2.47 —

Quest Fund Mngmnt. (Jersey) Ltd.
P.O. Box 194, St. Helier, Jersey. 0534 27441
Quest Stlg. Fxd. Int. 87.6 92.8 12.00
Quest Intl. Secs. $US0.892 0.948 3.00
Quest Intl. Bd. $US0.892 0.946 9.00
Price at Nov. 15. Next dealing Nov. 22.

Richmond Life Ass. Ltd.
48, Athol Street, Douglas, I.O.M. 0624 23914
The Silver Trust 116.1 119.8 +4.3 —
Richmond Bd. 113.3 116.1 +1.0 —
Do. Platinum Bd. 151.0 159.0 -6.0 —
Do. Diamond Bd. 92.7 100.7 -5.7 —
Do. Em. Income Bd. 165.3 174.0 11.63
Carillon Comms. 95.0 100.0 11.63

Rothschild Asset Management (C.I.)
P.O. Box 58, St. Julians Ct. Guernsey. 0481 26331
O.C. Eq. Fr. Oct. 31 53.4 56.6 2.88
O.C. Inc. Fd. Nov. 1 153.7 163.5 7.75
O.C. Intl. Fd. $1.23 1.30 1.35

Jardine Fleming & Co. Ltd.
48th Floor, Connaught Centre, Hong Kong
Jardine Estn. Tst. HK$378.56 1.90
Jardine J'pn. Fd. HK$410.21 0.80
Jardine S.E.A. $US17.37 2.09
Jardine Flem. Int. HK$11.73 —
Intl. Pac. Secs. (Inc.) HK$14.19 —
Do. (Accum.) HK$14.33 —
NAV Nov. 14. Equivalent $US86.75. Next sub. Nov. 30.

Warburg Invest. Mngt. Jrsy. Ltd.
1, Charing Cross, St. Helier, Jsy. CI 0534 73741
CMF Ltd. Oct. 26 $US14.57 14.95 —
CMT Ltd. Oct. 26 £14.62 15.00 —
Metals Tst. Nov. 16 £12.73 13.04 -0.19 —
TMT Nov. 9 $US9.96 10.21 —
TMT Ltd. Nov. 9 £9.87 10.13 —

World Wide Growth Management
10a, Boulevard Royal, Luxembourg
Worldwide Gth. Fd. $US14.42 -0.19 —

NOTES

Prices do not include $ premium, except where indicated ‡, and are in pence unless otherwise indicated. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of U.K. taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ♥ Net of tax on realised capital gains unless indicated by ♦. ‡ Guernsey gross. ◆ Suspended. ♦ Yield before Jersey tax. † Ex-subdivision.

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

1978 High	Low	Stock	Price £	+ or —	Yield Int.	Red.
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

"Shorts" (Lives up to Five Years)

[illegible]

Five to Fifteen Years

[illegible]

Over Fifteen Years

[illegible]

Undated

[illegible]

INTERNATIONAL BANK

[illegible]

CORPORATION LOANS

[illegible]

COMMONWEALTH & AFRICAN LOANS

[illegible]

LOANS

Public Board and Ind.

[illegible]

Financial

[illegible]

FOREIGN BONDS & RAILS

1978 High	Low	Stock	Price £	+ or —	Div. % Gross	Red. Yield
[illegible]	[illegible]	[illegible]	23½	[illegible]	[illegible]	—
[illegible]	[illegible]	[illegible]	39½	[illegible]	[illegible]	[illegible]
[illegible]	93	[illegible]	98	[illegible]	[illegible]	15.10
[illegible]	[illegible]	[illegible]	411	[illegible]	4	[illegible]
[illegible]	[illegible]	[illegible]	50	[illegible]	3	17.29
[illegible]	[illegible]	[illegible]	49	[illegible]	6	15.24
[illegible]	[illegible]	[illegible]	40	[illegible]	4	15.13

BONDS & RAILS—Cont.

[illegible]

U.S. $ & DM prices exclude inv. $ premium

AMERICANS

[illegible]

S.E. List Premium [illegible]

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[illegible]

S.E. List Premium [illegible]

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CENTRAL AFRICAN

[illegible]

MINES—Continued

AUSTRALIAN

1978 High	Low	Stock	Price	+ or −	Div. Net	Cvr	Y'ld Gr's
15	9	Acmex 25c	10	.....	—	—	—
140	64	[illegible]	111	−3	tQ6c	1.4	4.5
131	63	BH South 50c	111	−4	—	—	—
820	350	Central Pacific	315	−10	—	—	—
336	146	Conzinc Riotinto	236	−9	‡Q10c	2.2	‡
27	9½	Endeavour 20c	16½	.....	—	—	—
75	45	G.M. Kalgoorlie $1	53	.....	—	—	—
68	18	Hampton Gold N.L.	28	.....	—	—	—
140	81	Hampton Areas 5p	116	−2	t3.55	2.0	4.6
40	10	Metals Ex. 50c	25½	−1	—	—	—
223	125	M.I.M. Hldgs. 50c	181	−8	Q9c	1.7	3.1
22	10	Minefields Expl.	15		—	—	—
40	10	Mount Lyell 25c	29		—	—	—
7	1½	Newmetal 20c	5		—	—	—
143	79	North B. Hill 50c	99xd	−6	Q8c	1.3	5.0
16½	8½	Nth. Kalgurli	12½		—	—	—
50	12	Nth. West Mining	20	−1	—	—	—
178	117	Oakbridge $A1	126	−2	[illegible]	1.9	10.9
32	10	Paringa $1	23			...	—
70	30	Pacific Copper	57		—	—	—
£15½	750	Pancont'l 25c	825		—	—	—
40	12	Paringa M&Ex 5p	17	−1	—	—	—
570	310	Peko Wallsend 50c	433	−9	Q15c	φ	2.2
300	50	Southern Pacific	115		—	—	—
164	83	Westn. Mining 50c	123	−8	Q5c	0.7	1.5
70	35	Whim Creek 20c	55		—	—	—

TINS

1978 High	Low	Stock	Price	+ or −	Div. Net	Cvr	Y'ld Gr's
30	23	Amal. Nigeria	24		2.81	1.3	17.4
420	240	Ayer Hitam $M1	290	−10	Q300c	0.5	22.2
60	45	Beralt Tin	55		14.0	4.4	11.3
305	190	Berjuntai $M1	190	−15	Q110c	φ	12.4
185	111	Geevor	165		5.04	5.8	4.6
11	8½	Gold & Base 12½p	10½		—	—	—
350	220	Gopeng Cons.	300	−5	†15.36	0.9	7.6
310	130	Hongkong	295		—	—	—
93	78	Idris 10p	80		±12.0	1.6	‡
11	7	Jantar 12½p	9½		—	—	—
84	64	Kamunting $M0.50	64		Q12½c	2.1	4.2
640	450	Killinghall	620	−10	Q125	φ	20.2
470	280	Malay Dredging $M1	380	−10	Q175c	φ	20.4
78	40	‡Pahang	43	−5	Q0.62c	φ	0.3
78	50	Pengkalen 10p	65		6.60	1.3	15.2
270	165	Petaling $M1	220		tQ80c	1.6	8.3
87	49	Saint Piran	61	−2	2.03	6.5	3.7
70	47	South Crofty 10p	64	−1	3.19	2.0	9.8
245	140	South Kinta $M0.50	185	−5	tQ145c	0.6	26.8
340	230	Sthn Malayan $M1	290	−5	tQ51.3c	1.1	9.7
240	134	Sungei Besi $M1	185	.....	Q65c	5.3	7.6
85	55	Supreme Corp. $M1	70	.....	‡Q10c	—	3.1
100	85	Tanjong 15p	87	.....	6.60	0.8	11.3
100	74	Tongkah Hbr. $M1	85	.....	Q40c	φ	10.5
270	148	Tronoh $M1	195	−5	‡Q88c	1.6	‡

COPPER

1978 High	Low	Stock	Price	+ or −	Div. Net	Cvr	Y'ld Gr's
104	62	Messina R0.50	62	−1	‡Q30c	1.9	‡

MISCELLANEOUS

1978 High	Low	Stock	Price	+ or −	Div. Net	Cvr	Y'ld Gr's
68	35	Barymin	52	+2	—	—	—
17	9	Burma Mines 17½p	14	.....	—	—	—
300	180	Cons. Murch. 10c	190	−5	‡Q30c	2.6	‡
465	245	Northgate C$1	445	−5	—	—	—
263	164	R.T.Z.	230	−4	9.5	2.8	6.2
90	30	Sabina Inds C$1	44	+2	—	—	—
£12	750	Tara Exptn. $1	812	−6	—	—	—
85	43	Tehidy Minerals 10p	80	.....	†1.35	φ	2.5
185	120	Yukon Cons. C$1	142	.....	Q7c	2.9	2.4

GOLDS EX-$ PREMIUM

London quotations for selected South African gold mining shares in U.S. currency excluding the investment dollar premium. These prices are available only to non-UK residents.

1978 High	Low	Stock	Price	+ or −	Div. Net	Cvr	Y'ld Gr's
$15¼	$10¼	Buffels R1	$10⅞	.....	Q170c	2.8	18.4
$11¼	830c	East Drie R1	855c	+20	tQ78c	1.7	10.5
585c	330c	East Rand Prp. R1	390c	+10	—	—	—
$28⅜	$16½	F.S. Geduld 50c	$16⅞	+⅛	Q315c	φ	21.5
$15⅛	975c	Pres. Brand 50c	$11	+⅛	Q150c	φ	15.7
$13⅜	900c	St. Helena R1	$10⅛	+¼	Q190c	φ	21.6
465c	313c	Stilfontein 50c	380c	.....	tQ22c	2.3	6.7
$17⅞	$16¼	Vaal Reefs 50c	$17¼	+⅛	Q115c	3.3	7.7
$37	$25	West Drie R1	$27¼	+¼	Q385c	1.7	16.3
$31¼	$19	West Hldgs. 50c	$19¾	+½	Q415c	φ	24.3
$12½	895c	Western Deep R2	975c	+13	Q82.5c	2.4	9.8

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on the basis of net distribution, bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields are based on middle prices, are gross, adjusted to ACT of 33 per cent. and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- ▲ Sterling denominated securities which include investment dollar premium.
- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- φ Figures or report awaited.
- †† Unlisted security.
- Price at time of suspension.
- Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividends or forecasts.
- Merger bid or reorganisation in progress.
- Not comparable.
- Same interim: reduced final and/or reduced earnings indicated.
- Forecast dividend; cover on earnings updated by latest interim statement.
- Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- Excluding a final dividend declaration.
- Regional price.
- No par value.

[illegible]

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FINANCIAL TIMES
Tuesday November 21 1978

Cartel Office acts on Korf

BY ADRIAN DICKS

BONN, Nov 20.

PROCEEDINGS AGAINST the Korf independent steel and engineering group for failing to report that Kuwait has acquired a 30 per cent stake in the company's West German and U.S. holding companies, have been started by the Federal Cartel Office.

The sale of the shareholding in the two key holding companies took place in 1975, according to the Cartel Office.

The office is said to have been told of the transaction only in August. Korf could face a fine, but it is understood that the Cartel Office has no powers to prevent the transaction.

A spokesman for Herr Willy Korf confirmed today that the deal had been completed "some time ago," but would not indicate how much Kuwait has paid for its stakes in Korf Stahl AG, of Baden-Baden, and in Korf Industries, of Charlotte, North Carolina.

According to Korf, Kuwait had given assurances that it was not interested either in an active management role or in building up a majority position.

Insofar as it had any specific objectives, these appeared to lie more in financing further applications of Korf's experience with direct reduction steel-making in developing countries.

U.S. stake

The deal gives Kuwait a second important investment in a high-technology German industrial group, and comes four years after it acquired 14 per cent of Daimler-Benz.

No less significant is the direct stake which Kuwait will have in Korf's profitable and rapidly expanding activities in the U.S.

Korf's financial results last year, also disclosed today, show that it made losses of about DM 40m (£10.7m) on its steel business—though these were partly made up by profits from other areas.

World-wide turnover of Herr Korf's companies was just over DM 1.5bn last year, and is forecast to top DM 1.6bn this year.

The group's two U.S. steel-making plants, at Georgetown, South Carolina and Beaumont, Texas, are expected to show a profit of $12m to $15m this year.

Licence

Herr Korf, who has often been counted an optimist, has forecast a return to profitability in West Germany, too, as a result of the European Community's minimum price scheme for re-inforcing steel products.

Korf's attraction for Kuwait, is probably less as a medium-sized steel producer with world-wide output of 3m tonnes than as the holder of the Midrex direct reduction process licence, for which it took over sole rights nearly five years ago.

The process has been used in steel mini-mills in developing countries, among them Saudi Arabia, Tunisia and Brazil. It has also become increasingly attractive as an alternative to blast-furnace technology in larger steel complexes such as those planned in Venezuela and at Kursk in the Soviet Union, for which Korf is supplying 10 Midrex units.

Michelin opposition thwarts ACAS probe

BY ALAN PIKE, LABOUR CORRESPONDENT

THE ADVISORY, Conciliation and Arbitration Service has decided that it cannot reach a conclusion on a trade union recognition claim at Michelin because the company refuses to co-operate in an employee opinion survey.

ACAS has been attempting over the last 2½ years to carry out a survey of employees' opinions after applications for recognition by four unions. It has now decided that it cannot fulfil its statutory duties under the Employment Protection Act.

Apart from the Grunwick case, this is the first time ACAS has been prevented from completing a recognition investigation because of opposition from an employer.

Its council said yesterday that Michelin's decision to withhold co-operation made it impossible for the service to ascertain directly the opinions of all the workers involved. In the circumstances, there was no other *satisfactory way of discovering* their views.

Michelin, a French multi-national, employs about 15,000 people in the UK—the largest single group at Stoke-on-Trent.

Four unions originally submitted recognition claims to ACAS on behalf of white collar staff, but two withdrew during the inquiries, leaving the Association of Scientific, Technical and Managerial Staffs and the staff section of the Electrical and Plumbing Trades Union.

"During the 2½ years since the references were made, the service has made numerous unsuccessful attempts to gain the company's co-operation in a survey of employee opinions, based on proposals designed to enable a proper examination to be made of the recognition issues referred by the unions," ACAS said.

Legislation

Michelin had argued that its employees should be treated as a single group, although it had been pointed out that those who worked in Northern Ireland were covered by *different* legislation, and that ACAS was required by law to examine the specific *references made to it*.

The company had also insisted that seven "fundamental principles" should be observed before it would agree to co-operate in any inquiries. These included a demand that majority opinion must prevail.

"The service cannot agree to any prior conditions on the exercise of its statutory discretion. The company has, nevertheless, refused to move from its position," ACAS said.

In October last year, Michelin had invited the Electoral Reform Society to conduct a ballot of all its white-collar employees.

Two options were set out and 2,788 (83 per cent) of respondents said that they wanted their pay and conditions determined "as at present" with 579 (17 per cent) voting for collective bargaining through trades unions.

After this, Michelin had told ACAS that it and its staff *considered the matter closed.*

"They recognised that ACAS has a duty to obtain employee opinions, but emphasised that the law did not require the company to co-operate," ACAS said.

As the law stands, there is apparently no further action that ACAS can take. The service is under a clear requirement to discover opinions of employees covered by a claim, although this is only one of the factors which it takes into account when deciding whether to recommend recognition. ACAS normally relies on employers to provide access to workers.

TUC wants institutions to provide funds for industry

By Christine Moir

TEN PER CENT of institutional funds should be set aside for lending to British industry, the TUC is planning to tell the committee on financial institutions headed by Sir Harold Wilson.

At the rate at which new funds are flowing into the institutions, this would mean a special Government-underwritten loan facility of at least £700m a year.

The recommendation, expected to be approved by the TUC general council tomorrow is to be the pivot of the TUC's main submission to the Wilson committee. Barring last minute amendments, it will be laid before Sir Harold by the end of the month.

In essence, the submission differs little fro mthe TUC's interim recommendation published 18 months ago.

Since then, *the financial* institutions have all submitted evidence that British industry *is not starved of capital*. But the TUC is abviously not convinced.

Its latest recommendation includes a number of recent cases which, it ays, prove that Government bodies are still *required to fill the gap left by* the private capital markets.

Targets

The TUC is convinced the financial community needs to be subject to an overall Government strategy in much the same way as industry is.

This strategy would set targets for its performance, which would include the institutions' effectiveness in supporting industry at home.

It would also provide a half-way house between complete reliance on the market and full scale Government intervention.

The new facility, the TUC believes, would enable a modest proportion of institutional funds to be put to good use without jeopardising the rights of policyholders and pensioners.

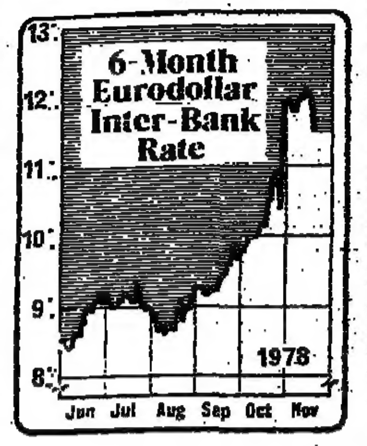
It recommends that the facility be underwritten by the Government through a *minimum guaranteed return to the* institutions on the funds invested.

The submissions also include a recommendation for the merger of the Giro Bank and the National Savings Bank and more powers for the Council for the Securities Industry, including statutory powers to subpoena witnesses and restrain companies from pursuing lines of action thought improper.

THE LEX COLUMN

The dollar gains some confidence

Index fell 4.0 to 468.8



The dollar has been much firmer over the last few days, following a period in which its recovery appeared to be in question. The Fed has shown that *it is prepared to intervene* heavily in the exchange markets and this, together with rumours of an improving U.S. trade position, has for the moment discouraged short-selling of dollars. Adverse swings in the Japanese and Swiss trade balances and the labour situation in the UK have also helped, and despite a late setback yesterday the dollar is well over 15 per cent higher than its October 31 level against the Swiss franc.

Some of this tenuous confidence has been feeding through to interest rates, particularly on Eurodollar deposits and certificates of deposit, which rose very sharply immediately after the November 1 measures in anticipation of a Fed funds target of 10 per cent or more. Fed funds are now well-established at 9¾ to 9⅞ per cent and money market rates are adjusting downwards. The very heavy issuing of domestic CDs by New York banks in October in expectation of higher interest rates and stronger loan demand seems to be slackening.

Looking at the exchange market's reaction, the Fed may consider the present interest rate structure high enough for *its immediate needs. An attempt* to bring rates down now might spoil everything but there is room for commercial paper rates, for instance, to move lower eventually, into line with the Fed funds target range. But the strength of economic activity and the outlook for inflation are *worrying for the credit markets*, and it can be argued that the Fed's latest targets for money supply growth are lax, starting as they do from a base date on which the previous targets were significantly exceeded. It is to soon to say that U.S. interest rates have *peaked.*

Direction of funds

The TUC has not give up hope about the Wilson Committee. Instead, it seems to have decided that its best hope for salvaging a worthwhile victory lies in its plan for directing institutions' funds into a new state lending facility — in which it would have a significant say. In order to keep its members happy about the prospect of putting their deferred pay into British Leyland, the rate of return would be guaranteed by the Government.

When promoting this idea in their oral evidence to Wilson, the TUC representatives were stumped by the obvious question: if the Government is guaranteeing the returns, why should it not issue some extra gilts and invest the *funds itself*. More recently, *the suggestions* have grown more subtle: the institutions should be brought in on a no gain/no loss basis — and guaranteed the return they would have achieved on a well balanced portfolio. The fund managers might be hard-pressed to object to this on any grounds other than job protection. Only the wretched taxpayer would get soaked.

De Lorean

Details of the financial package provided by the UK *Government for the De Lorean Motor Company's Belfast* factory are slowly leaking out on both sides of the Atlantic. The latest news is that the larger-than-life Mr. De Lorean is planning a major new fund-raising campaign in the U.S. next spring. He hopes this will *bring in $50m odd*—and plans to use the proceeds to buy out the British Government's interest in the Northern Ireland plant. This extends not just to the $32½m of equity capital, but some $18m of expensive interest-bearing loans as well. If all goes according to plan De *Lorean Motor will then be left* with $50m of non-repayable grants—and shareholders willing to wait for their dividends.

Mr. De Lorean has not yet decided which investment bank will handle the campaign, though he thinks it is not quite Oppenheimer and Co.'s cup of tea. Oppenheimer, incidentally, has just completed a separate $18.75m funding arrangement for De Lorean's development company, De Lorean Research Partnership Limited. The 120-odd contributors here will be entitled to units convertible into De Lorean Motor Company shares.

The new funding campaign—plus the collection of some $14m of cash De Lorean Motor is still expecting under its dealer scheme—cannot proceed until Mr. De Lorean files a detailed and up-to-date registration document with the Securities and Exchange Commission in New York. This has been expected almost every week since the Belfast deal was announced in August. Mr. De Lorean is certain it will be in by the end of November. Then all may be revealed.

Exit Cedar Holdings

It used to be called the second mortgage business in the hey-days of FNFC and the Hodge Group. *These days it is referred* to more politely as "secured personal lending." But whatever the name, business seems to be booming, which explains why Lloyds and Scottish is willing to buy out Cedar Holdings, the second biggest operator in the market, at a price equivalent to 21 times fully taxed earnings.

Of course, Cedar, which has £2.4m of tax losses up its sleeve, is not paying much tax at the moment and the purchase price of £9.6m is roughly in line with total shareholders' funds. In addition, under the wing of *Lloyds* and Scottish, Cedar should be able to double its pre-tax profits to £2m say, in a very short period. Since the dark days of the secondary banking crisis Cedar has been kept under a very tight rein by the big institutions which baled it out. This has enabled it to reduce its dependence on them for support funds from a peak of over £50m to virtually nothing. But it has been losing market share.

While the four big institutions involved must naturally be happy that they are finally able to disengage themselves from Cedar, their involvement to date does them little credit. During Cedar's early period they encouraged it to grow far too rapidly. Now that it is back on an even keel they are selling out rather than give it a chance to remain an independent entity with a reasonable future.

Standing committee will check on company law

BY ELINOR GOODMAN, LOBBY STAFF

THE GOVERNMENT is to set up a standing advisory committee to keep company law under continuous review. The committee will act as an independent body which will replace the system of appointing special committees on an occasional basis to *examine the need for particular* changes in the law.

The change apparently considered for some time, was announced yesterday during the second reading of the Companies Bill by Mr. John Smith, who was addressing the House for the first time in his new capacity as Trade Secretary.

Mr. Smith said that the Government believed that an occasional inquiry was no longer a sensible way to deal with company law developments. Instead, it was proposed to set up a new, independent body which would be composed of representatives of industry, the City, trade unions and the accountancy profession.

Although the Bill received an unopposed second reading, the *Tories promised they would fight* hard in committee to change the way the proposed criminal penalties for insider dealing are drafted.

Mr. John Nott, Conservative *Trade spokesman*, said Conservatives shared at least some of the City's serious reservations about the proposed criminal sanctions.

Composition

He doubted whether it would be possible to draft a criminal sanction without damaging legitimate business.

Given the likely composition of the committee, the Conservatives appear to stand a good chance of getting through some of the changes.

Moving the Bill's Second Reading, Mr. Smith said that the Government was committed firmly to the introduction of criminal sanctions on insider dealings which it regarded as wrong.

However, it did not want to make it impossible for legitimate or desirable activities to continue.

The proposals were intended to be on the cautious side and he promised the Government would listen carefully to any criticism.

The Conservatives, who produced similar proposals for dealing with insider trading in 1973, decided not to oppose the Bill on second reading, but to concentrate their efforts at the committee stage.

Mr. Nott told MPs Parliament should be very cautious about creating new crimes in response to what he described as "political pressure." The present drafting was unacceptable to practically everybody.

Mr. Nott also took issue with the drafting of the clauses dealing with the duties of directors to their employees.

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Access charge goes up to 2% —but Barclaycard 1¾% stays

BY MICHAEL BLANDEN

ACCESS, the bank credit card group run by three of the big four banks, yesterday announced an increase in its interest rate to borrowers and immediately provoked a battle with its main rival Barclaycard.

The charge to the 3.6m holders of Access is being raised from the present 1¾ per cent a month to 2 per cent. The increase takes effect from January 4, and implies a jump in the annual charge from a maximum of 23.14 per cent to 26.82 per cent.

The announcement came just ahead of the Christmas shopping boom. Access said that given the rise in the general level of interest rates in the banks and the money market, it was only fair to give its customers notice of imminent higher charges.

Barclaycard, promised its 4.2m cardholders: "*We shall not even* consider the question of increasing our interest rate until after Christmas."

The cost of money had been high for too short a period to justify an increase in its own rates now.

The rise in Access charges promises another period of competition between the *two groups*. Access, which is organised by Lloyds, Midland, National Westminster and other banks, last *changed its interest rate in* October last year, when it cut the charge to 1½ per cent.

Barclaycard followed that move, but then came down further to 1½ per cent a month last November, and held the charge at that level until July.

The Access move follows the recent sharp increase in the general level of money costs, with the Bank of England's minimum lending rate and bank *base rates for their overdraft* lending rising within the last few weeks from 10 to 12½ per cent.

The *full effect on borrowers* will depend on the way in which they use their cards. By taking *advantage of the free credit* period of up to 25 days they can reduce the effective interest rate to a level substantially lower than the maximum of 26.82 per cent.

Mr. John Cox, chairman of the Joint Credit Card Company which runs Access, said: "The necessity to uplift the interest rate *applicable* to credit taken by cardholders is a direct consequence *of the recent* substantial increase in interest rates."

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Ford and BOC hopes

Union negotiators for 3,000 drivers and cylinder handlers in *British Oxygen's gases division said yesterday that the work* force would probably accept the company's latest 9-10 per cent offer.

Regional shop stewards' meetings in the division's militant southern and western areas decided to make no recommendation on the offer to mass meetings to be held within the next few days. Shop stewards in the eastern area agreed to recommend acceptance.

The offer is believed to be worth about 9 per cent on basic rates, including supplements, but between 9.5 and 9.9 per cent overall.

The company has removed the productivity strings attached to the previous 8½ per cent offer, which was overwhelmingly rejected.

The proposals involve an extra £4.50 on basic rates, excluding supplements, £1 on unconsolidated *supplements and a further* £1 on the existing productivity scheme bonus payment.

Increased consolidation, higher shift premiums, call-out payments and other fringe benefit improvements are also included.

The Transport and General Workers' Union, which represents *most of the workforce*, said the offer would lift present average earnings of about £93 by £9-£10.

Last year a four-week strike by the same group of workers cost the company £5m and led to large-scale lay-offs throughout industryr.

Sanctions had been imposed at some of the division's depots during present negotiations.

Factory move

FORSHAW MARINE has taken over an advance factory of 3,500 sq ft built by the English Estates Corporation at the Rock Ferry Estate, Birkenhead. The company, which manufactures boat trailers and components, took over the new building because it required bigger premises to cope with orders. It is expected to increase its workforce within the next year or so.

Callaghan and unions hold talks

By Christian Tyler, Labour Editor

GOVERNMENT AND union leaders were mending the breach in their special relationship last night after last week's failure of the proposed concordat on pay and inflation.

General secretaries of some of the main unions held talks in Downing Street with Mr. James Callaghan, the Prime Minister, to discuss tactics for the general election.

The TUC's refusal to endorse a set of bargaining guidelines for trade union negotiators this winter was mentioned only briefly as Mr. Callaghan asked the unions what support he could expect when he goes to the country.

He was talking to members of the trade union committee for Labour victory, led by Mr. David Basnett of the General and Municipal Workers Union, who have promised £1m for the re-election campaign and—for the first time—a co-ordinated programme of speeches and canvassing, especially in the 100 or so marginal constituencies.

Last night's talks followed a regular meeting of the TUC-Labour Party liaison committee.

Soviet pact with Ethiopia seals two-year courtship

BY DAVID SATTER IN MOSCOW AND JAMES BUXTON IN LONDON

THE SOVIET UNION signed a treaty of friendship yesterday with Ethiopia, consolidating the Kremlin's position in this strategically placed country in the Horn of Africa.

The treaty was signed in Moscow by Mr. Brezhnev and by Lt.-Col. Mengistu Haile Mariam, the Ethiopian leader.

In London, a spokesman for the guerrillas fighting for the independence of Ethiopia's Red Sea province of Eritrea said that Ethiopian troops had launched a big offensive against them. The *Ethiopians are helped in* Eritrea by Soviet and Cuban military personnel.

The treaty sets the seal on the close relationship which has developed between the Soviet Union and Ethiopia over the last two years. It is likely to deepen the anxieties about Ethiopia held by its neighbours Somalia, Sudan and, across the Red Sea, Saudi Arabia, the world's largest oil exporter.

Ethiopia has the largest armed *forces in black Africa thanks to* the Soviet Union.

It is believed in Moscow that the signing of the treaty is the Soviet Union's price for continued military assistance and for aid to the shattered Ethiopian economy.

The Soviet Union has friend*ship treaties with its East Euro*pean allies, with India, Iraq, Vietnam and—in Africa—Angola and Mozambique. The treaties usually imply adherence to the Soviet line in foreign policy and substantial Soviet aid.

In the last few months Ethiopia's foreign policy line has come closer to that of the Soviet Union with a bitter attack on China by Col. Mengistu in September.

In 1974, the Soviet Union signed a treaty of friendship with Ethiopia's antagonistic neighbour Somalia. The treaty was broken off by Somalia last November, when the Soviet Union made clear that it supported Ethiopia in the war over the Somali-populated Ogaden region of Ethiopia.

The Soviet Union poured arms, estimated to be worth more than $1bn, into Ethiopia, and Cuban troops were sent in. Somali regular forces withdrew from the Ogaden in March.

Continued from Page 1

Backing for dollar

ket dealings but was hit by selling later in the day.

The comments by Mr. Solomon made little impact on the market, but the announcement of the U.S. national income accounts budget deficit of $22.6bn unsettled the market.

As a result, the U.S. currency lost much of the improvement it *had recorded earlier in the day*, after overnight rises in the Far East, but still ended in London trading at higher levels than on Friday.

Against the Swiss franc, for example, the dollar reached a best level of SwFr 1.79. Later, however, it slumped to SwFr 1.7350 before closing in London at SwFr 1.74, against SwFr 1.72 on Friday.

A similar movement was recorded against the West German D-mark, with the dollar reaching DM 1.94 before coming back to close at DM 1.93, compared with DM 1.92.

The pound ended the day's dealings in Europe slightly stronger than on Friday. Against the dollar, it gained 55 points at $1.94, but its trade-weighted index against a basket of currencies slipped to 62.2 against 62.3 on Friday.

Weather

UK TODAY

SUNNY at first, rain later. Rain in North.

London, S.E., Cent. S. England, E. Anglia, E. Midlands, Channel Islands

Mostly dry, some rain later. Max. 12C (54F).

East, N. England, Lakes, Isle of Man, W. Midlands, S.W. England, Wales

Cloudy with rain. Max. 11C-12C (52F-54F).

***Borders, Edinburgh, Dundee,* Aberdeen, S.W., N. Scotland, Glasgow, Moray Firth, Highlands, Argyll, Scottish Islands**

Rain with clear spells and squally showers. Max. 8C-10C (46F-50F).

N. Ireland

Rain, clear spells overnight. Max. 8C (46F).

Outlook: Windy. Some rain with bright spells.

BUSINESS CENTRES

		Y'day midday °C	°F			Y'day midday °C	°F
Amstdm.	S	10	50	Luxemb'g	Fg	6	43
Athens	S	16	61	Madrid	S	10	50
Bahrain	C	23	73	Manchestr.	S	8	46
Barcelona	S	15	59	Melbourne	R	19	66
Beirut	S	20	68	Milan	S	7	45
Belfast	R	5	41	Montreal	S	−4	25
Belgrade	C	−1	30	Moscow	C	10	50
Berlin	F	11	52	Munich	S	12	54
Brmchm.	S	8	46	Newcastle	S	9	48
Bristol	F	9	48	New Delhi	S	24	75
Brussels	S	10	50	New York	S	8	47
Budapest	C	−2	28	Oslo	S	5	41
B. Aires	S	21	71	Paris	C	11	52
Cairo	S	20	68	Perth	S	26	79
Cardiff	F	9	48	Prague	F	7	45
Chicago	C	1	34	Reykjavik	C	−2	28
Cologne	F	10	50	Rio de J'o	S	29	84
Copnhagn.	S	9	48	Rome	F	16	61
Dublin	F	8	46	Singapore	C	29	84
Edinburgh	F	8	44	Stockholm	F	3	37
Frankfurt	R	6	43	Strasbrg.	C	6	43
Geneva	S	9	48	Sydney	S	19	66
Glasgow	C	8	46	Tel Aviv	S	24	75
Helsinki	F	1	34	Tokyo	C	17	63
H. Kong	S	21	71	Toronto	C	−5	23
Jo'burg	S	22	72	Vienna	C	1	34
Lisbon	S	14	57	Warsaw	C	8	46
London	S	11	52	Zurich	S	5	41

HOLIDAY RESORTS

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	S	16	61	Jersey	S	11	52
Algiers	S	20	68	Las Plms.	F	22	72
Biarritz	S	14	57	Locarno	S	9	48
Blackpool	S	9	48	Majorca	C	16	61
Bordeaux	C	13	55	Malaga	F	18	64
Boulogne	S	10	50	Malta	S	18	64
Casablnca	S	19	66	Nairobi	R	20	68
Cape Town	C	23	74	Naples	S	15	59
Corfu	S	17	63	Nice	S	15	59
Dubrovnik	F	16	61	Nicosia	S	20	68
Faro	S	18	64	Oporto	C	12	54
Florence	S	10	50	Rhodes	F	18	64
Funchal	C	21	70	Salzburg	S	12	54
Gibraltar	F	17	63	Tangier	S	22	72
Guernsey	S	11	52	Tunis	S	19	66
Innsbrck	S	8	46	Valencia	S	16	61
Inverness	C	7	45	Venice	S	7	45
I. of Man	F	8	46				

C—Cloudy. F—Fair. R—Rain. S—Sun. Fg—Fog.

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